Parley Gloom May Augur Success *Annual Review of Textiles*

LARGEST CIRCULATION OF ANY CANADIAN FINANCIAL PAPER

THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

CANADIAN MINING NEWS DEPARTMENT ON PAGES 19-20

Vol. XXVII Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, JUNE 17, 1933 10c a Copy; $5.00 a Year No. 24

The Nation's Business

U. S. Developments Offer Hope to Newsprint
Col. Drew Strikes at Company Laws
Keeping Federal Appointments Clear of Politics

Newsprint Outlook Improved

WHAT operators and their financial backers have not been able to do in nearly four years time, now appears likely of accomplishment in as many months—namely, the re-establishment of the newsprint industry.

Through the Industrial Recovery Bill, President Roosevelt has given the United States mills the means whereby they can put their house in order. Under this legislation the manufacturers can set up a code which will have a regulatory effect on prices, marketing arrangements and the volume of imports.

This bill is of great importance to the Canadian newsprint manufacturer as he markets nearly 80 per cent of his output in the United States. In order to maintain his position in that market he will have to adhere, either voluntarily or of necessity, to the code now in process of being drawn up by the Association of Newsprint Manufacturers in the United States.

In this way price cutting, secret rebates and other obnoxious practices which have the root of the Canadian industry's troubles, will be done away with and the manufacturers, both in Canada and the United States, will have an opportunity of placing their business on a sounder and more business-like basis.

* * *

Investors Need Uniform Laws

PUBLIC interest in the perennial problem of uniform company legislation in Canada was whetted last week by the emphatic declaration of Lt. Col. George A. Drew before the Rotary Club, Toronto, regarding the need for a Dominion governing body to supervise the creation and administration of companies throughout Canada and protect investors throughout the country.

> "If we are really to protect the investor," said Col. Drew, "we must strike at the root of the evil and prevent the issuance of unsound securities, instead of merely trying to prevent their sale after the company has been organized. This can only be done if we have a uniform companies act passed by each legislature as was suggested at the recent inter-provincial conference, or a single Dominion company act approved by all provinces. Either would make it possible to establish rigid provisions in regard to incorporation that would go a long way toward preventing a repetition of the scandalous flotations of the boom years."

* * *

FROM the investor's viewpoint there are two vital considerations. Firstly there is the present laxity of company laws as between individual provinces and the dominion. This, as Col. Drew points out, now provides a convenient loophole through which unsound corporate bodies are created. Secondly, there is the urgent need for ensuring more adequate information than is now available to investors via the public prospectus which is the basis for most security selling on this continent. As Col. Drew told his Toronto audience:

> "We must have a companies act that demands full disclosure to prospective shareholders of all important facts. At the outset the directors and those responsible for the issuance of a prospectus must assume full responsibility for the statements made, under serious penalty for any misrepresentations. There should at all times be full disclosure of the business affairs of a company."

* * *

IT IS fortunate that Col. Drew has linked the whole matter of company legislation in Canada with the current needs of the investing public. For years legislatures have been arguing about uniformity in corporation law throughout the dominion and invariably there has been deadlock and inaction. Only last January the "P.M." stated that as a result of the dominion-provincial conference at Ottawa, a basis of agreement had been reached and that a uniform statute was to be drafted for submission to all provinces and the Federal Government for ratification. Six months have passed however, and as might have

(Continued on page 2, col. 3)

Current Opinion

J. S. McLEAN—"The reason for the cautious dividend policy was that Canada Packers, when formed, had insufficient working capital, and the directors felt that every other consideration should be postponed to that of building up the liquid position of the company."

Newsprint Recovery On Permanent Basis Now Taking Shape

Roosevelt Legislation Gives Industry New Hope

PROVIDES CONTROL

American Mills Working Out Code — Canadians Will Have to Adhere to It

From Our Own Correspondent

MONTREAL.—Canadian newsprint manufacturers are watching closely developments in the United States where American producers are taking advantage of the provisions of the National Industrial Recovery Bill, to set up a code to regulate business.

The new legislation, which will have far reaching influences on American industrial operations, will provide that industry can organize itself to set up a code of fair competition and for agreements and licenses. This bill sets aside the long-established anti-trust laws and permits the producers to set up a code to remove obstructions "to the free flow of interstate and foreign commerce."

Section "E" Has Teeth

Of vital interest to Canadian manufacturers is section "E" of the bill, which provides that any subscribing member to a code can make complaint to the President if any article is being imported into the United States in substantial quantities or increasing ratio to domestic production of any competitive article and "on such terms or under such conditions as to render ineffective any code or agreement."

Powers are given to the President to institute an enquiry through the United States Tariff Commission and if such a condition exists the facts are as stated the President can, in order to effectuate the policy of the bill, "direct that the article concerned shall be permitted entry into the United States upon such terms and conditions and subject to the payment of such fees and to such limitations in quantity as he shall find it necessary to prescribe in order that the entry

(Continued on page 2, col. 4)

U.K. WANTS CANNED GOODS FROM CANADA

Tomatoes and Salmon Regarded as Greatest Dominion Opportunities

From time to time The Financial Post has referred to the opportunities given Canadian Canners and other exporters of canned goods on the British market by the 10 per cent ad valorem duty imposed on foreign imports under the Imports Duties Act. The hopes expressed that a very important and growing trade could be developed are borne out to some extent by an article in the Times Trade and Engineering Supplement of May 20, 1933, describing the progress made by Empire countries in the canning trade.

In the case of vegetables there seems little reason—and this view was expressed in The Financial Post last year—why English canners should not shortly supply most of the vegetables used in the domestic market, with some surplus for exports to those parts of the Empire in which such vegetables cannot so readily be grown. The tariff upon vegetables, with the exception of tomatoes, imported into the United Kingdom has been increased from 10 to 20 per cent ad valorem, the highest duty yet placed upon canned foods. This has naturally been a great stimulus to English canners and they have not been slow to take advantage of it. Some further experience has to be gained in grading and packing, but these are likely to be quickly overcome.

Canada May Score in Tomatoes

An exception is made in the case of tomatoes because the British Isles cannot produce them in sufficient quantities, or at a low enough cost to support an extensive canning industry.

The Times expects that Canada will probably secure an increasing share of the tomato trade in the United Kingdom, but adds that the natural advantages enjoyed by producers on the Mediterranean coast are unlikely to be entirely overcome.

Great interest was taken last fall in the large proportion of the fruit crop in Ontario which was canned and sent to England. The Times thinks that in the production of fruit many parts of the Empire are already, or can rapidly become active, and expects that canning of fruit will become a very competitive trade within the Empire. It expects that wherever the requisite raw materials can readily be produced it will become an ambition to secure, if possible, the whole of the trade of the Empire.

Peaches and Pears Wanted

The imports of canned fruits into Great Britain include as much as from 4,000,000 to 5,000,000 cases an-

(Continued on page 2, col. 5)

For C. N. R. Board

T. A. RUSSELL

Prominent Toronto industrial leader, who is regarded as a likely selection for the new board of trustees. Mr. Russell left a few days ago for London, Eng.

HUGE I.P. DEAL ON POWER SITES GETS CRITICISM

Holders of Refunding Mortgage Bonds Disgruntled

Strong dislike of the effects of the sale of $31,700,000 of United States power properties of International Paper Co. is expressed by important Canadian holders of the company's six per cent refunding mortgage bonds, due 1955. They feel that the deal altered unfavorably the security for their bonds.

Officials of International Paper Co. have informed The Financial Post that they believe the holders of the 6's of 1955 were "substantially benefitted" by the deal. Bondholders see only irony in this.

The transaction was made for a total price of $31,700,000 as at Dec. 31, 1931. This amount was paid by International Hydro-Electric Corp., a subsidiary of International Hydro-Electric System, for certain power properties of International Paper Co. Of the total, $5,400,000 was paid for properties not subject to the lien of the International Paper 6's of 1955, according to International Paper Co. Therefore $26,300,000 represents the amount paid for properties subject to the lien.

Both International Paper Co., which sold the properties, and International Hydro-Electric System, which bought them through its subsidiary, are controlled by International Paper & Power Co.

Paid Floating Liability

Bondholders who are not satisfied with the deal contend that $26,300,000 of saleable power properties which were securing their bonds were taken from them by the deal, and part of the proceeds of the sale used indirectly to pay off a floating liability of International Paper Co.

As substitution for the removal of the power properties from under the trust deed, a demand note for $16,571,218.12 was deposited with the trustee, Bankers Trust Co., New York. This note is allegedly unsaleable. It is also alleged to be worth less as a source of stable earning power and security than the power properties.

International Paper Co. apparently does not deny that the demand note is not saleable. But it is contended that neither were the power properties "readily saleable." The field of purchasers, it is said, was and is exceedingly limited. The fact of the matter company officials state, is that the only reason it was possible to sell the properties at all was because International Hydro-Electric System owns distribution properties in New England within easy transmission distance of the powers.

Sketch of Transaction

International Paper & Power Co. controlling both International Paper Co. and International Hydro-Electric System, decided to transfer some 80 per cent of the developed and undeveloped water power properties of International Paper Co. in the United States to International Hydro-Electric System. This conforms with a policy of segregation of water power properties which the parent company has followed for some time.

The water powers were appraised in aggregate at $31,700,000 by "independent engineers." International Hydro-Electric Corp., a subsidiary of International Hydro-Electric System, bought them at this price. Only $26,300,000 of the aggregate value was subject to the lien of International Paper Co. 6's of 1955, according to the company. Therefore only this portion of the deal interests holders of the 6's of 1955.

Payment was made to the extent of $16,460,000 by assumption of principle and interest of the first

(Continued on page 4)

COAL REPORT THOUGHT FULL OF DYNAMITE

Much Pressure Being Brought on Ottawa to Publish It

QUEBEC MAY AVOID

Political Repercussions of Great Magnitude Seem Likely Before Matter Finished

Special Correspondence

OTTAWA.—The report on the coal business following the investigation made under the Combines Investigation Act remains unpublished, and demands for its speedy publication are beginning to be heard from various and sundry sources. Mr. Woodsworth, in the closing days of the session, demanded it be printed and widely disseminated forthwith. Mr. King backed him up. And now fresh demands for letting it see the light of day are coming from labor organizations, while just recently a conference meeting of the United Church passed a resolution asking for its publication.

Combine is Rumored

In the meantime, all the public knows is that, about the time it was completed, there was a "leak" to the effect that the Registrar under the Combines Investigation Act had found that a combine actually existed. Rumor in Ottawa has it that the report casts some very unpleasant aspersions on the Montreal combine and its senatorial head, which is supposed to have "cornered" the British coal trade with Canada.

The fact of the matter is, the coal report is likely to place the Government in a rather awkward position. Hon. Wesley Gordon, under whose department the Combines Investigation Act functions, adroitly managed to keep it secret until after parliament adjourned. His reason for not placing it on the table of the House was that under the terms of the act, the Dominion had to place the report before the provinces for such legal action on its findings as they saw fit to take. It was thus, in a sense, sub judice, until the provinces had decided what they were going to do about it. In the face of the growing insistency of public demand for publication many are wondering if the Government will be able to keep it sub rosa.

Quebec Situation Ticklish

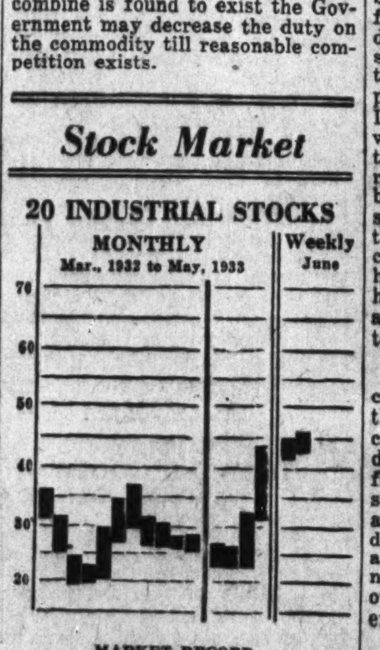
In Quebec, where the combine is supposed largely to have functioned, the situation is said to be fraught with practical politics. And it seems highly probable that Mr. Taschereau will take no action for the reason that if he or some other provincial administration fails to act within the period set by the act, the onus and responsibility for taking action to remedy an undesirable situation falls upon the Dominion Government.

For many years, (indeed ever since the big coal strike of 1901 demonstrated how slavishly dependent Canada was on American anthracite) the Dominion has endeavored to lessen Canada's dependence on the United States for fuel for domestic heating. The Liberal Government subsidized the transportation of our own coal and bonused the manufacture of by-product coke. It felt, however, that it could not face public opinion if it put a duty on American anthracite. But the Bennett Government, being of protectionist ilk, had no hesitation in imposing a duty of 40 cents a ton on it, which it later increased, with a view to aiding British coal to come into the Canadian market.

And British coal did come in in ever increasing volume. But it is not a nice commentary on a tariff-raising policy to find now that monopoly has taken advantage of the tariff to mulct the Canadian consumer on a necessary of life.

The Canadian customs tariff prescribes the remedy. It says if a combine is found to exist the Government may decrease the duty on the commodity till reasonable competition exists.

Stock Market



MARKET RECORD

20 Industrial Stocks	High	Low
Week of June 13	45.9	42.0
Week of June 6	44.8	41.3
Month of June, 1932	21.5	18.3
10 Public Utilities		
Week of June 13	53	51
Week of June 6	52	49
Month of June, 1932	39	35
8 Bank Stocks		
Week of June 13	179	174
Week of June 6	175	168
Month of June, 1932	154	143

Gloomy Opening of Conference Considered to Augur Success; Canada in Strategic Position

The Financial Post Attends World Meet

In line with an established policy of keeping its readers closely informed on all matters of national and international significance, The Financial Post publishes this week the first cabled dispatch from its editor, Floyd S. Chalmers, now attending the World Economic Conference at London.

The Financial Post has had a personal representative at every major economic meeting of the past decade, and to this background Mr. Chalmers brings a wide training in financial journalism. His dispatches will give readers of The Post an intimate, searching picture of what is going on behind conference doors and in the high counsels of world statesmen.

In the two preceding issues The Post published an exhaustive analysis of the agenda and background of the World Conference in order to prepare the way for this most significant meeting of modern times. Cabled dispatches from Mr. Chalmers will appear during the duration of the conference.

CAN. PACKERS MAY PAY SOON BACK DIVIDENDS

Depends on Price Advances in Co. Products Being Maintained

Net profit of Canada Packers in the year ended March 30, 1933, was $607,672 as compared with $450,303 in the preceding year, after all expenses, bond interest, income tax provisions and depreciation.

Preferred dividend of $422,254 was earned nearly 1½ times and the surplus of $185,418 was equal to 92.7 cents a share on 200,000 shares outstanding as compared with nearly 14 cents a share in the preceding year.

Consolidated Income and Surplus Account

Years Ended	Mar. 30 1933 $	Mar. 31 1932 $
Net profit†	607,672	450,303
Less appropriations:		
Preference dividends	422,254	422,319
Surplus for year	185,418	27,984
Add: Prev. surplus	4,073,622	4,111,638
Less: Inc. tax adj. (prior years)	......	§66,000
Bal. carried forward	4,259,040	4,073,622

†After all expenses, bond interest, income tax provision for current year, and depreciation.

§Consisting of $52,000 for fiscal years 1930 and 1931 in accordance with June 1, 1931, budget, and $14,000 additional for 1931 fiscal year in accordance with April 7, 1932, budget

No dividends have yet been paid on the common shares but it is interesting to note from a computation in the report to shareholders that in six years the company has earned $17.20 per share, or an average annually of $2.86 a share. This is after taking into account deferred dividends due on the preference shares of $10.50 a share on 60,335 shares or $633,518.

Aim at $10,000,000 Liquids

The average shareholders' investment over this six-year period was $16,883,000 with an average profit of $900,000 a year. The dividends were $306,000 a year, the profit was therefore five per cent on the investment and the dividends two per cent. This cautious dividend policy has been pursued because Canada Packers had insufficient working capital and the directors felt that every other consideration should be subordinated to that of building up the liquid position of the company. Mr. McLean said that in the beginning it was felt, in view of the volume of the company's operations and the rapidly fluctuating demands of the business, that a net liquid position should be set up of $10,000,000 and that no dividends should be paid on common shares until that objective had been reached. The objective has not been reached. Net liquids as at March 30, 1933, he calculated to be $9,193,104.

To Pay Deferred Preferred

As a result, however, of the decrease in volume as compared with the previous volume of the merged companies and the quite unforeseen decline in prices the directors now feel that the companies liquid resources are adequate and that they are justified in announcing that the deferred preference dividends, amounting to $10.50 per share, will now be paid as and when made, over and above the regular preference dividends.

Prices Advance

During the two previous years prices declined almost continuously, involving heavy inventory losses. Within the last three months there have been price advances in most of the products handled by the company. If these advances continue, as is hoped, inventory profits may be looked for (the counterpart of the previous losses). In this case it may be

(Continued on page 2, col. 6)

R. B. Bennett Withholding Announcement of Policies for Strategic Reasons—Canada May Become Mediator—Americans Cynical—British Financial Opinion Pessimistic

By FLOYD S. CHALMERS
Editor, The Financial Post

LONDON.—Canada's R. B. Bennett is believed to be withholding definite announcement of his proposed policies at the economic conference for strategic reasons. He may assume the rôle of mediator between Britain, France and the United States, when the time is ripe.

F. S. CHALMERS

Seasoned observers remark that the gloomy opening of the conference is promising. Under such auspices, they say, conferences are often successful. Financial opinion is pessimistic, expecting failure and revival of economic nationalism.

In respect of currency matters, France stands strongly for cessation of depreciation and is averse to further deflation. The United States wants higher prices before currency stabilization. Great Britain is now prepared to accept a pound of $4 or higher. Canadian dollar stabilization must await the action of the great powers.

Opening Gloomy and Tense

At the opening, the atmosphere of the conference was tense and prospects unpromising. The default on Germany's external debts and war debt bitterness shrouded the meeting in gloom. Early emotional appeals for international co-operation were heard coldly.

To expect striking agreements would be foolish in the opinion of experts I have consulted. Modest achievements, however, are considered almost certain to sustain but not to satisfy the hopes of the world.

Anti-American Propaganda

The British press has been filled with anti-American propaganda on the war debts. Appreciation of the strength of the United States Congress, which now equals that of Roosevelt, is lacking.

The American delegates are cynical about the conference. "When do we leave for home," one of them is reported to have said. They have been annoyed by British newspaper comment. Also they are suspicious of any conference such as this, conducted under the auspices of the League of Nations, where they believe French influence to be dominant. Nevertheless President Roosevelt and Cordell Hull, American Secretary of State, who heads the United States delegation, are anxious for the success of the conference. When the debt controversy is concluded, they will give their full co-operation in negotiations.

Ramsay MacDonald, president of the conference, is properly speeding the work of the gathering, and limiting the opening speeches of delegates. But six weeks will be the minimum length of the conference.

Revival of Economic Nationalism

Preparedness for revival of economic nationalism is the reason for pessimism of financial opinion regarding the conference. Americans, French, Germans and Italians are each convinced that they can achieve prosperity by domestic means. There is also the possibility of formation of new trade blocs, such as the proposed Netherlands-Scandinavian group, in the event of the failure of the conference. It is reported from Washington that the Roosevelt administration would like to see its domestic revival programme adopted by the world at large. But not as a means of furthering economic nationalism.

British countries hold a strong card in this economic nationalism game in Imperial co-operation and Empire self-sufficiency. But propaganda is rife against the Ottawa conference agreements from Europeans and British free traders. There has, of course, been criticism of the same sort in Canada from W. L. M. King and others who see the Ottawa treaties as among the chief examples of economic nationalism. R. B. Bennett recently defended the agreements in an interview in the British press.

Canada's Importance

The importance of the position of Canada and her delegation at the

(Continued on page 2, col. 4)

Highlights of the Week

Events and Topics That Make News for Post Readers

International Paper

Important Canadian bondholders dislike $31,700,000 deal in which power properties were transferred from under the trust deed. Page 1.

Democracy Weak?

The conflict between political and economic policies is a vital problem of the century. Verbatim address of Sir Josiah Stamp on Education's Place in the Puzzle. Page 11.

Your Estate

Liquidity of assets, needs of beneficiaries and costs of administration inter-related in another article. Some hints on cutting possible losses. Page 16.

Wheat Routes

Will Canada's wheat route lose benefits of the Empire preference by restoration of the United States route to favor? Page 13.

Canal Tolls

Cold financial facts of free canals in Canada discussed in an authoritative survey. Can our canals be made to pay their way? Page 11.

Loose Laws

Dominion and provincial companies acts have not operated to the benefit of the investor in the past. What hope of action to reform? Views of legal, administrative and financial authorities. Page 3.

Personalities

How Professor O. M. W. Sprague left a lucrative position with the Bank of England to jump to a new love at Washington. Page 10.

Refrigerators

Mistakes of the manufacturers of electric refrigerators in Canada in 1932. How the industry is avoiding them this year. A survey of the prospects of retailers and makers. Page 7.

Nation Wide Increase In Employment Affects Majority of Industries

Economists agree that the best indication of business activity is to be found in the employment figures and until unemployment is being lessened there can be no material improvement. Reports from all parts of the Dominion during the past week stress the number of men being re-employed, plants re-opening and increased working hours for many partially employed.

The Financial Post summarizes herewith reports from leading industrial centres from coast to coast:

Shoe factories in both Ontario and Quebec report more workers being engaged. Since the beginning of the year Vancouver reports that the number of persons on relief has been decreasing about 200 a month, chiefly due to increased activity in lumbering industries. From Winnipeg comes reports of more men employed by oil, ink and shirt companies. Furniture factories throughout rural Ontario are more active than for two years. Since the beginning of the year Canadian Cottons, at St. Croix, N.B., has added 200 men to its payroll, according to a report from that town.

Raise Wages

In addition to the men being taken back by factories in operation, a number of plants in different parts of Canada have reopened after having been closed down for as much as eighteen months. Norton Abrasive Co.'s plant, at Chippawa, Ont., has re-opened after being closed for a year. Eastern Lumber Co. will start operation at Thessalon, Ont., and provide work for most of the local unemployed, according to a report. Canadian Furnace Co., Port Colborne, Ont., after being closed for 18 months, will resume this month and employ 100 men. Several pulpwood camps, near Dorset, Que., will be started shortly and employ several hundred men.

Two reports of general wage increases have appeared. Kroehler Manufacturing Co., in Stratford, and Lang Tanning Co., Kitchener, have both announced a general wage increase of 10 per cent.

B. C. Mining Boom

All British Columbia's major industries report improvement during the past few weeks, mining and lumber industries taking the lead. In the Bridge River district, and in the Cariboo, gold prospecting and mining have been active and employed many men. Lumbering industries are experiencing a mild boom with increased exports to Australia and Britain and some to the United States.

Throughout the Prairie Provinces the increased spending power of the farmer, due to the wheat price increase, has proved the stimulus to increased manufacturing activity. Winnipeg factories are generally busy as retail demand increases. Gainers, Ltd., Edmonton packers, are planning a large addition to their plant, construction to be car-

(Continued on page 2, col. 3)

NORANDA ORE INDICATIONS SPECTACULAR

Developments Below 2,475 Ft. Level May Be of Greatest Importance

OFFICIALS RETICENT

When Ore Reserves Were Doubled 1932 Report Gave Clue That Important Find Made

Development this year in the No. 21 or lower "H" ore body of Noranda Mines is much more important than is generally appreciated, an unusually well informed mining engineer told The Financial Post. Officials of Noranda have been conspicuously reticent about developments at the property in recent months, and these, together with curtailed gold production and a lower than expected dividend declaration, have caused Noranda shares to lag in the general stock market activity that has characterized the leading gold producers in recent weeks.

Diamond drilling below the 2,475 ft. horizon in recent months is said to have been almost of a spectacular nature. In two holes each 100 ft. below this horizon, the ore is said to average close to $9 per ton in gold, while a further 150 ft. averages near $15 in gold with corresponding copper values—higher than anything reported in the estimated ore reserves.

Annual Report Suggests Find

Some credence is lent to the report by the comment on the development of this ore body in the 1932 annual report of the company which quoted as follows:

> "This body was found late in 1930 and partially explored in 1931, but at the end of 1931 there was not sufficient work done to permit estimating of the ore reserves below the 1,975-ft level. However, during the past year (1932) this ore body has been explored by drifting and horizontal diamond drilling on the 1,975-ft., 2,100-ft., 2,225-ft., 2,350-ft., and 2,475-ft. levels, on which 5 levels some 3,600 ft. of drifting and crosscutting and 13,240 ft. of diamond drilling was done, mostly in the massive sulphide ore and this additional information made possible an estimate of tonnage and grade of ore indicated between the 1,975- and the 2,475-ft. levels.
>
> "Further exploration of the various ore bodies above the 1,975-ft. level resulted in the finding of a greater tonnage of new ore than was mined during the year (1932) so it was possible to add to the previously reported ore reserves all of the ore that was developed in the lower 'H' ore body between 1,975-ft. and 2,475-ft. levels."

Ore Doubled in 1932

Referring to the tonnage of ore reserves reported for 1932, amounting to 22,450,000 tons, it will be noted that this is more than double that reported at the end of the previous fiscal year. The average grade, also, has been somewhat higher, averaging close to $4 per ton in gold. Inasmuch as this huge increase in ore reserves in one year can be largely attributed to the development between the 1,975 and the 2,475 ft. levels, as noted in the 1932 report, the report of drilling this year below the 2,475 ft. horizon would indicate that last year's work was on the apex of an ore body, the like of which has not been delimited in the annals of Canadian gold mining.

Noranda's earnings in the first three months of 1933 were approximately 30 cents per share, somewhat lower than the average for the respective quarters of 1932. This can be attributed to the lower gold production as well as the lower copper output, explained by officials as due to certain repairs being effected to the furnaces and the partial exhaustion of several so-called high-grade pockets of gold ore that sweetened the 1932 production.

Investor's Index

INDUSTRIALS, UTILITIES, ETC.

Assoc. Tel	9	Muirhead's	19
B. A. Oil	9	N. S Light	4
Burns & Co.	9	National Steel	5
C. S. L.	9	Ottawa Trams.	4
Can. Int. Paper	8	Page-Hersey	9
Can. Packers	1	Paramount	3
Can Wirebound	19	Photo Engravers	9
Dominion Gas	8	Service Stns.	9
Dunlop Tire	5	Simpsons	8
Eastern Steel	8	St. L. Paper	9
Foundation Co.	5	West Kootenay	4
Int. Paper	1		

MINES AND OILS

Bobjo	20	McLeod Oil	19
Bulolo Gold	8	Noranda	1
Goldale	20	Pioneer	19
Granada	20	Sylvanite	20
Kenty	20		

REVIEW OF TEXTILE COMPANIES

Acme Glove	14	Harding Carpet	13
Biltmore Hats	15	Mercury Mills	12
Belding-Cort.	14	Monarch Knit.	15
Bruck Silk	13	Mtl. Cottons	14
Brant. Cordage	13	Ont. Silknit	14
Can. Cottons	13	Paton Mfg.	15
Can Converters	14	Penman's	15
Can. Cons. Felt	19	Regent Knit.	14
Can. Co-op. Wool	19	Riverside Silk	19
Can. Celanese	13	Stanfield's	15
Celtic Knit.	13	Supersilk	13
Cosmos Imp.	13	Tip Top Tailors	14
Dom. Textile	15	Tooke Bros.	14
Dom. Woollens	14	Toronto Carpet	14
Goodyear	12	Wabasso	15
Guelph Carpet	15	Woods Mfg.	15
Hamilton Cotton	15	Zimmerknit	14

PRICE QUOTATIONS

Bonds	18	Mines	19
Grain	17	Stocks	18

REGULAR DEPARTMENTS

Answers to Enquiries	9
Business	7
Banking	10
Editorial	6
Grain and Milling	17
Insurance	16
Mining	19, 20
Utilities and Transportation	4

SPECIAL SECTION

Review of Textile Companies	12-15

There's Character in a Solar Watch

Wear a Solar and you wear a watch whose distinctiveness you will appreciate at once. As accurate as modern technical standards demand. Modern in their design they yet convey an air of elegance reminiscent of other days. For the pocket or for the wrist. For men or for women—Solar, a fine line of watches.

(A typical Solar Watch is shown in the enlarged illustration. It is a woman's wrist model — $27.50)

Main Floor—Yonge & Albert Streets

T. EATON CO. LIMITED

GOOD NEWS FROM HAMILTON ONTARIO

GOOD NEWS for everyone who appreciates good food . . . deep, comfortable beds . . . and large, quiet rooms. All of these homey comforts are yours at The Royal Connaught Hotel . . . yours at very moderate prices.

For example, breakfasts are 30¢ . . . 50¢ . . . 75¢, and are served in the room at no additional charge. And when you've tried our 60¢ and 75¢ lunches, you'll understand why the prominent luncheon clubs of Hamilton always meet at The Royal Connaught. Full-course dinners are $1 on weekdays, $1.25 on Sundays and Holidays.

NEW LOW RATES

Single with bath—$2.50, $3, $3.50, $4
Double Bed with bath—$4.50, $5, $5.50, $6
Twin Beds and Bath—$5, $6, $7, $8

There's a royal welcome waiting for you at The Royal Connaught. May we extend it to you soon?

Wilfred A. Stead, Manager

ROYAL CONNAUGHT HAMILTON

THE Royal Connaught HOTEL

Further Probes By Tariff Board Yet Unspecified

No confirmation can be obtained at Ottawa of the rumor that Hon. E. N. Rhodes, before his departure for the World Economic Conference, authorized eight enquiries for the Tariff Commission in addition to the woollen investigation which is first on the list.

If the rumor is correct there is as yet no indication of what British industries have applied for tariff revision. It is believed, however, that they are not so important as woollens, and probably concern articles of a minor character in the iron and steel group. The British cotton industry, it is learned, has not yet moved for an enquiry by the Canadian Tariff Commission.

In connection with the woollen enquiry, H. S. Shackleton, head of the British woollen organization is coming to Canada late this month and will consult with the members of the commission and the Canadian woollen manufacturers.

West Favors Field Crops

Over two-thirds of the field crop acreage of Canada is concentrated in the three Prairie Provinces, according to the latest federal statistics, and most of this area is seeded to the grain crops, with wheat predominant.

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The Nation's Business

(Continued from page 1)

been expected, nothing, apparently, has been done.

Federal responsibility for this lies with the State Department, Ottawa, headed by Hon. C. H. Cahan, M.P., but the man charged with carrying out Mr. Bennett's assurances is Thomas Mulvey, Under-Secretary of State. No doubt officials in individual provinces are also responsible but leadership should rightly come from federal offices.

If the great and growing body of investors throughout the Dominion can be made to realize the urgency of this matter and made to appreciate its vital importance, it may be that public interest will be aroused sufficiently to force the hands of a sluggardly officialdom which for political or selfish reasons has let this matter drift from bad to worse in the past decade.

To again quote Col. Drew:

"Governments cannot go far beyond public demands and it is necessary that the public realize how important it is that in this particular field we forget any spirit of provincial isolation and agree to some form of uniform control. In national financing, which affects national business and in turn affects the investing public of the whole country, we cannot afford to let constitutional prejudices stand in the way of taking a step that is so obviously desirable."

* * *

Politics and Personnel Appointments

EITHER before or immediately upon his return from the World Economic Conference, Mr. Bennett will announce the personnel of the Royal Commission to examine into banking conditions in the Dominion and the Board of Trustees for the Canadian National Railways. The public is hopeful that the men selected for these tasks will be chosen for their proven abilities and not because of political considerations or church connections.

Room for improvement may exist in the Bank Act. Many changes, some radical and others purely experimental, have been suggested. Some might well be adaptable to Canadian conditions but any change in the basic principles governing banking should come from a body of men with the training and knowledge necessary for a proper appreciation of what such changes might mean to industry, commerce and finance.

The Duff report will be implemented by the appointment of a board of trustees for the nationally-owned railway. The success of this step depends upon the willingness or the degree to which the trustees will co-operate with a select committee of the Canadian Pacific Railway. This task must be approached in a business-like way and free from political bias, otherwise the railways will be a greater problem than ever before. Further it will be the responsibility of the trustees, in co-operation with the C. P. R., to determine upon a sane policy for the future guidance of railways in this country.

Canada cannot afford to have any ill-considered or freakish legislative changes made in the Bank Act. Nor can it afford any weak-kneed handling of the railway situation. Both must be tackled with determination and by those best qualified for the task. In choosing the personnel of the Royal Commission on Banking and the C. N. R. Board of Trustees, Mr. Bennett should not allow political considerations to influence his decision.

UNBLOCK FUNDS OWING BY BRAZIL TO U. S. CITIZENS

Canadians Hope First Step Taken Toward Exchange Freedom

Possibility that there might be far-reaching agreements between the United States of America and the United States of Brazil to melt various credits in Brazilian banks, owing to United States citizens, as suggested in the last issue of The Financial Post, received quick verification last week.

Announcement has been made that commercial balances of $25,000,000 due the United States and now blocked in Brazil, will be released under an agreement reached between Dr. Numa de Oliveira and Valentim M. Boucas, representing the Brazilian Government and the Banco do Brazil, and Eugene P. Thomas, president, National Foreign Trade Council, General Palmer E. Pierce, chairman, Council on Inter-American Relations, and James S. Carson, vice-president Electric Bond & Share, representing the American firms.

Favored Arrangement

Under the agreement, all firms having blocked balances on June 30, 1933, of not more than $50,000 may become parties to the plan and be paid off at the official rate of 13.3 milreis to the dollar within 90 days. Balances exceeding $50,000 are to be paid off over a period of 6 years in 72 monthly drafts, guaranteed by Brazilian Government and bearing 4 per cent interest. Conversion rate agreed upon by both parties is 13.965 milreis to the dollar, or 5 per cent over the official rate. Signatories for Brazil agree no more favorable exchange agreement shall be made with any other country and no contract entered into which would interfere with this agreement and guarantee American parties shall receive sufficient dollar exchange for current needs during the life of the agreement.

Steps Toward Dividends

This is important to Canadians who own shares of Brazilian as this agreement may possibly establish a basis for negotiations looking to settlement of Brazilian funded debt held abroad.

NATION WIDE INCREASE IN EMPLOYMENT

(Continued from page 1)

ried on during the summer. In Saskatoon, a new factory is under construction for the manufacture of fencing. Lethbridge area is much brighter after a successful wool clip and better prices and good sugar beet prospects.

Autos, Textiles Lead

All manufacturing centres of Ontario are busier than for a long time, the automobile and textile industries leading the field. Windsor and Oshawa report demand for new cars has come later than usual, but that it will probably continue longer and plants are operating near capacity. Textile mills are daily increasing staffs and report orders on hand to maintain activity well into the summer. Canadian Cottons, in Hamilton, has recently installed 100 additional looms, with all hands working 50 hours a week. Zimmerknit reports prospects much brighter, all hands employed on full time and some overtime. Riverside Silk, at Galt, Ont., is running 24 hours a day and busier than ever before. Shoe factories are finding that low stocks carried by retailers during the past two years need replenishing and the result is larger orders.

Quebec textile and boot and shoe factories, though neither of these industries felt the full force of the depression, are now busier than ever. An actual shortage of labor is reported from a Contrecoeur, P.Q., shoe factory. Lumbering activity is becoming evident as dealers stock up in anticipation of a price increase.

Maritimes Quieter

Probably the Maritimes has been least affected as yet by the trade revival which has taken place, although a 50,000 ton steel rail order to the Dominion Steel and Coal, Sydney, and re-opening of the Amherst rolling mills has increased the number of persons employed. A good start was made in the fishing industry, production in April being greater than a year ago. The heavy industries, however, as a general rule, which applies throughout Canada, are least affected by better conditions.

GLOOMY OPENING CONSIDERED TO AUGUR SUCCESS

(Continued from page 1)

conference has perhaps been underestimated. As a strong member of the Empire trade bloc and the best customer of the United States, Canada, represented by Mr. Bennett, is in a strategic position. Canada's recent relations with France have been cordial. Herein lies the reason which may place Mr. Bennett in an intermediary rôle between the three most important nations conferring, Great Britain, France and the United States.

Central bank chieftains of the great powers are conferring independently of the conference delegates on the question of exchange stabilization. The French are strongly averse to further currency depreciation and deflation. The Americans want stable commodity prices at higher than present levels before currency stabilization. In this connection Prof. O. M. W. Sprague, now leading financial adviser of the Roosevelt administration, and former economic adviser to the Bank of England, recently stated that currencies could not be stabilized until "economic conditions" are stabilized.

The objectives of the Americans, as to prices, are dollar wheat and 12-cent cotton before currency stabilization.

British Modify Views on £

The British have modified their recent insistence on stabilization of the pound sterling at $3.50. They are prepared to accept a level of $4 or higher. Canadian dollar stabilization must await agreement between the larger powers.

The United States is to offer a plan to the conference to help silver by its further use in coinage. The objective is to raise prices and to improve the buying power of Oriental countries. The British are sympathetic with this plan and will revive symmetalism proposals with a suggestion of currency based on half gold and half silver in alloy.

Washington reports indicate that various methods of improving the status of silver in currencies may be advocated by the United States. First, there is a suggestion that silver token coins, such as dimes, shillings, quarters, etc., be restored to a higher silver content. This could be done without difficulty, but at additional expense to governments. Second, it is said the United States will advocate use of silver in central bank reserves along with gold. The proposal is that one-fifth silver and four-fifths gold be allowed in such reserves. In such case there would have to be international agreement on the value placed on silver used for reserves.

Debt discussions overshadowed the opening of the London conference. The Daily Express carried nothing but discussion of war debts on its front page. The conference only "made" the second page. This is a typical attitude of the British newspaper which conceals its cynicism about the conference beneath insincere applause of His Majesty's and Ramsay MacDonald's speeches.

NEWSPRINT RECOVERY ON PERMANENT BASIS NOW TAKING SHAPE

(Continued from page 1)

thereof shall not render ineffective any code or agreement."

Given Absolute Power

It is apparent from the foregoing that manufacturers in the United States can set up a code, subject to the approval of the President, which will have the backing of the United States Government for a maximum period of two years. The authority given to the President is such that in the case of an article being imported in any manner to render a code ineffective, such imports can be limited, taxed, or even prohibited from entry.

U. S. Mills Organize

Newsprint manufacturers in the United States have under way an organization to take advantage of the Industrial Recovery Bill. A short time ago 21 representatives of American newsprint companies, representing approximately 85 per cent of the country's newsprint capacity, met in Boston. At this preliminary meeting the Association of Newsprint Manufacturers of the United States was formed and a committee named to formulate a code to meet the requirements of the bill.

Personnel of Committee

The committee consists of William A. Whitcomb, president of the Great Northern Paper Co., who is chairman; Edgar Richard, president of the Pejepscott Paper Co., vice-chairman; I. Zellerbach, president of the Crown-Zellerbach Corp.; A. R. Graustein, president of International Paper and Power Co.; and R. M. H. Robinson, secretary of the Minnesota and Ontario Paper Co.

Whitcomb and Richard represent the Eastern mills; Zellerbach, the Pacific Coast mills; Graustein, the New York mills; and Robinson, the central district mills.

Intentions of this association are that it will represent all newsprint manufacturers in the United States. It will not embrace other branches of the paper industry.

Will Strengthen Position

At the moment this association is only in the process of organization. A great deal of groundwork will have to be accomplished before a code or agreement is arrived at satisfactory to all interests. In the event of code being approved by the United States Government, as there appears to be every chance, the position of the newsprint industry will undergo a marked change for the better.

Canada's Position Analyzed

Close reading of the bill leads to the conclusion that there is nothing in the legislation to prevent Canadian manufacturers from becoming a party to any code drawn up by the American association.

At this time none of the Canadian companies have been approached. Nor is it likely that they will be approached until such time as a code has been agreed upon so that the Canadian manufacturer will know exactly what he is committing himself to.

In discussing the bill, particularly Section E, one of the leading figures in the Canadian newsprint industry said that he did not think any of the Canadian mills would join the association. On the other hand, if the code drawn up by the American mills did not contain any objectionable features, he thought that it would be a splendid move on the part of the mills in this country to form a similar organization and adopt the American code.

"Whether we like it or not," he said, "we cannot overlook the fact that the United States is our richest and largest market and we will have to conform to the code adopted by the American mills."

Would Stabilize Conditions

One of the greatest advantages arising out of a legalized code would be the prevention of further price-cutting and adhering to a common policy. The problem confronting the industry over the past three years has been the lack of co-operation and price-cutting or secret rebates in order to secure additional business.

Price-cutting originated with Canadian mills. Undoubtedly any code drawn up by the American manufacturers would establish a minimum price, so that Canadian producers would be prevented from securing business in the American market at cut rates.

Without the influence of the measure developed in the United States further price cutting would be almost inevitable. If the United States group work out a code covering increased wages and increased price for newsprint, the higher price level would include all the newsprint that is imported by the United States and so benefit Canadian mills.

L. J. Belnap, president of Consolidated Paper Corp., when recently discussing the newsprint situation, gave it as his view if the price of newsprint in the United States were raised it is likely that steps would be taken to ensure, in some manner, that newsprint from Canadian mills would not enter the United States at a price to undersell the American mills.

Interested in Details

Such a development would not be permitted under the amended Industrial Recovery Bill. At the same time, however, the Canadian operators are keenly interested in the decision of the American manufacturers as to what constitutes a fair price for newsprint. Regulations as to marketing arrangements will not involve any radical changes, while the demand for newsprint will depend upon the extent and quickness of industrial recovery.

Serious Situation Exists

For over three years past the Canadian mills have been attempting to work out some form of co-operative agreement which would strengthen their position. Differences of opinion, jealousies, etc., have prevented the reaching of any permanent agreement. Several of the principal companies have been forced into bankruptcy. Few have been able to cover operating costs and only two companies have been able to meet their funded debt charges.

Continuation of this state of affairs throughout the balance of 1933 would have forced the closing of several mills. Consequent upon the action taken by President Roosevelt, it now appears that the newsprint industry in the United States, as well as Canada, will be given the opportunity of getting back on its feet.

U. K. WANTS CANNED GOODS FROM CANADA

(Continued from page 1)

nually of peaches, pears, apricots and fruit salads and from 1,000,000 to 1,500,000 cases of canned pineapple. None of these raw fruits are grown on a commercial scale in the British Isles and consumption is likely in time to increase rather than to decline.

The movement to pack in Great Britain large quantities of strawberries, raspberries, loganberries, as well as all varieties of plums and other stoned fruit, is of recent origin, although old established and successful on a small scale. Pressure in England to increase consumption of those fruits is natural and likely to meet with increasing success, but even if successful entirely it is not expected materially to reduce imports of peaches or pineapples. The Times believes that any attempt to develop the demand for the one at the expense of the other is more likely to harm both than the reverse.

Australian Fruit Scores

A duty of 15 per cent ad valorem has been placed on all foreign imports of canned fruits into the United Kingdom, in addition to the former small preferential sugar duty. The Times thinks that should prove sufficient to safeguard domestic canners of soft and stoned fruits. There has been little competition to face by reason of the climatic advantages enjoyed and it is a powerful stimulus to the growing body of canners of peaches, pears and apricots in Australia and South Africa. These will give Canadian fruit stiff competition.

With some advantage from the protection already enjoyed, and assisted by conditions of exchange which may prove less permanent, Australian packers last year sold a moderate pack of those fruits to good advantage in Great Britain. With the additional duty from which the whole pack of 1932-33 will benefit and still encouraged by exchange conditions, canners in Australia greatly increased their output last season and the largest quantity of canned fruits ever shipped from the Commonwealth to Great Britain in one season is this year likely to be placed on the market.

Canadian Apples Wanted

South Africa is now increasing her pack of pears and apricots, the quality and value of which has already been proved. The Times thinks there is no reason why those two Dominions should not, in a necessary space of time, supply all the needs of the Empire in canned peaches, pears and apricots. Apples of suitable qualities are now being grown and canned in increasing quantities in England and in Canada the development of grapefruit canning in Australia and other parts of the Empire should not much longer be delayed.

It is pointed out that English soft fruits, admirable in the first state, do not so readily adapt themselves to canning as peaches, pears and apricots; and stone fruits, though retaining many of their original qualities after canning, present difficulties of preservation which cannot with ease be overcome. The seasons in England are short and unreliable and the strong competition of a large market for fresh fruit must be met. The supremacy of the Federated Malay States in the production of canned pineapples is expected to continue, though packers are now suffering from depressed markets.

Sockeye and Pinks Preferred

With reference to canned salmon The Times remarks that British Columbia has unavoidably lost the position she originally held as the largest and chief supplier and says that lack of fish has undermined the position of canners in that province and that there is, therefore, little that can at present be done to assist it. The existing ad valorem duty of 10 per cent on foreign imports of canned salmon into the United Kingdom is of value to packers in British Columbia and an increase in that duty might be created if the balance of supply and demand were less unfavorable. But the full percentage of the requirments of the market in red salmon is not available from British Columbia and there is even not enough pink salmon. It is readily seen that a much larger proportion of the requirements of this important and popular commodity can in the immediate future be placed from Canada. Excessive inventories have been complained of in Canada until this year and there seems room for missionary work as to the food value of other salmon than pinks and sockeye.

The supply of salmon on the Fraser River may in time be increased as a result of intensive methods of conservation. Better prices, combined with more economic production, would help packers to solve some of their present difficulties but it seems unlikely that the output of red salmon in British Columbia can rapidly be increased, according to The Times. Fishermen in Vancouver have a stronger hope than The Times and believe the runs of sockeye to the Fraser River are in process of being built up again.

CAN. PACKERS MAY PAY SOON BACK DIVIDENDS

(Continued from page 1)

possible to pay off the deferred preference dividends within 12 to 15 months, in Mr. McLean's opinion. When the deferred preference dividends have been paid, the way will be clear for dividends on the common shares.

When Canada Packers was formed it was hoped that dividends would begin at the end of five years, that is, in 1932. The world depression prevented that expectation being realized.

There is special encouragement for the Canadian packers in the fact that under the quota system export increases are being made to Great Britain and prices have been going up. The recent advance in sterling exchange has further increased the returns for Canadian bacon. This has advanced the price of hogs in Canada 30 per cent.

To maintain this profitable market increasing attention to quality must be given, Mr. McLean says, as farmers would get $12,000,000 more a year if Canadian bacon was as good and as popular in the United Kingdom as Danish bacon.

In the last 15 years the Canadian packing industry, taken as a whole, has made losses, not profits. In the best years a packing house ought to make a net profit on its sales of about 2.5 per cent. In the best year net profit was 1.55 per cent. Average net profit for the six years was 1.24 per cent.

Profit on Turnover Low

Mr. McLean makes the following interesting computation in an effort to show what profits have been in cents per pound and as a percentage of sales:

Yr. ended	Profit	Per lb. of product sold	% of sales %
March, 1928	$1,028,697	1/5c	1.47
March, 1929	1,503,297	1/4c	1.49
March, 1930	1,552,071	1/4c	1.55
March, 1931	838,111	1/7c	1.0
March, 1932	384,302	1/15c	.64
March, 1933	607,671	1/8c	1.3

This makes an average profit for five years equivalent to 1/6 cent per pound of product sold, or to 1.24 per cent of sales.

Reduced Expenses Drastically

J. S. McLean, president of Canada Packers, gives the following table to show how completely the objectives of reducing expenses by co-ordinating plant and sales operations at the Harris Abattoir Co., Wm. Davies Co., Gunns Ltd., and Canadian Packing Co. have been obtained by the merger in August, 1927:

	Aug. 1927	Mar. 1933
No. of operating plants	9	5
No. of persons in head office staffs	797	374
No. of employees in plants	3,641	2,483
No. of car route salesmen	317	194

Have One Selling Force

This has resulted in a total reduction of operating expenses of about $7,000,000 a year or 40 per cent. Unfortunately there has been a considerable reduction in volume as well. Because volume prior to the merger included sales between the companies, comparison is difficult, but it is believed that there has been an actual decrease of about 20 per cent.

For the first time within the last year the most delicate task connected with the merger, that of co-ordinating sales operations, was completed. Four independent sales forces, with four sets of brands, have now been co-ordinated into a single selling organization, Canada Packers Ltd., and a single set of brands. The leading brand is Maple Leaf Brand.

The company's working capital position has been greatly strengthened. Current assets are slightly down but current liabilities are much more down and working capital is therefore nearly $300,000 up in the course of the year.

Working Capital
As at March 30

	1933 $	1932 $
Current assets	9,596,752	9,797,830
Current liabilities	2,466,179	2,957,526
Working capital	7,130,573	6,840,304
Ratio	3.89—1	3.31—1

Liquids Are Stronger

Current assets showed the following changes: cash up from $16,781 to $24,998; government and municipal bonds at market value from $1,032,950 to $2,923,465; accounts receivable, less reserve, down from $3,016,143 to $2,233,048; and inventories of packing house products, produce and supplies, including advance payment on goods purchased, goods in transit and goods on consignment, less advances by consumers, down from $5,319,433 to $4,045,854. Call loan is the same at $261,000.

In current liabilities loans from company's bankers (secured) are down from $1,651,558 to $1,301,597 and accounts payable and accrued charges, including reserve for income tax, was down from $1,105,046 to $971,221.

Among valuable assets of the company, other than those mentioned, are $229,355, representing the cash surrender value of life insurance, $969,169 covering bonds of Wm. Davies Co. and the Harris Abattoir Co. at cost, $753,574 for sundry investments and mortgages and $108,386 for sundry advances, deposits, balances receivable and advances to employees for expenses.

Investment in and advances to related companies are shown at $301,874 and $67,612 is the total of cash in hands of trustees for bondholders.

Reducing Bonds

Lands, buildings, leasehold, plant and equipment, based on appraisals 1919 to 1927 are shown at $18,870,909, very little change during the year. The reserve for depreciation, however, is up from $5,384,133 to $6,125,848. A surplus on appraisals of $5,686,548 is shown.

The Wm. Davies Co. first mortgage sinking fund 6 per cent 20-year bonds due 1942 came down during the year from $1,625,000 to $1,500,000 and the Harris Abattoir Co. first mortgage 6 per cent bonds due 1937 were reduced from $3,527,900 to $3,390,900.

Contingent liabilities in respect of paper under discount and guarantee are shown in a note to the balance sheet at $275,500.

For information as to how a complete analysis of this company can be obtained see page 2.

Maintaining *A Long-Established Position*

When the Dominion of Canada was established in 1867, the Bank of Montreal had nearly a fourth of the total paid-up banking capital of Quebec and Ontario, and more than a fourth of the banking assets of those provinces.

Today it has the same proportion of the capital and assets of the banking structure of the entire Dominion.

Today, as yesterday, it employs its resources and facilities to build sound Canadian business.

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Extra Trousers, 5.50

For some months now, Simpsons has been leading the way in tailored-to-measure clothing values. Sale has followed upon sale. Success has marked each effort. Hundreds of men have expressed their satisfaction in no uncertain terms. As a feature in the June month of Sales, we present another one of these much-talked-about tailoring events this week. There is little need to go into details because nearly everyone is acquainted with the quality of the materials, the fineness of the tailoring and the smart styles offered. In this sale, Summer fabrics are featured—flannels, light worsteds and tweeds of the finer grades.

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$5 now, the balance in 3 equal monthly amounts, with no extra charge.

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Note—For mixing with what is called a . . . well, a mixed drink, there is absolutely nothing just like it.

Kuntz's LIME RICKEY

BLENDED BY THE KUNTZ BREWERY LIMITED WATERLOO AND TORONTO

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Footnotes to Ottawa

An occasional department of comment on the background of governmental activities in the nation's capital

By Our Ottawa Correspondent.

Knighthoods and Mr. Bennett

OTTAWA—There has been, and rightly so, a very pronounced reaction in political and commercial circles to the announcement that the Bennett Government does not regard the anti-titles resolution approved by the House of Commons in 1919 as binding upon this country either today or in the future.

From the political viewpoint, the announcement was taken by Ottawa gossips to foreshadow the retirement of Mr. Bennett to the House of Lords and, also, to be a very strong indication that the garden of higher statesmanship would shortly blossom with knighthoods, baronetcies and even more exalted distinctions. From the commercial viewpoint, it has been generally felt that if the door to titles is once more opened, the business leaders of Canada will receive the distinctions which used to distinguish them in the pre-1919 days. And both viewpoints were buttressed by the fact that the government's opinion was written by Mr. Bennett in person. It was, therefore, the opinion not only of a very able lawyer but of the directing head of the government.

* * *

NO DOUBT this sudden development caused great surprise. Undoubtedly this was the case in the House of Commons, where the Opposition groups as well as the rank and file of the government's supporters were completely nonplussed. There was, immediately, a move to bring Mr. Bennett's "opinion" under the scrutiny of the Commons. Mr. King would have liked to stage a full-dress debate on the question. And recalling the fact that numerous efforts to persuade the Commons to reverse the 1919 decision have failed—notably the efforts of Hon. C. H. Cahan in the days of the Liberal regime and of Armand Lavergne, deputy speaker, in the past few years—it was presumed that the new lease of life obtained by titles would be of the briefest. But Mr. Bennett, apparently, had foreseen all that, with the result that the government resolutely declined to grant facilities for debate. No action by the House of Commons on the titles question will be possible until 1934 and, even then, a definite decision will scarcely be possible unless the government is a consenting party. It can be brought up only as a private member's resolution and these resolutions can easily be talked out, thus avoiding embarrassing divisions and recorded votes. More than that, if Mr. Bennett really favors the restoration of titles and is prepared to throw the weight of the government against a resolution renewing the 1919 ban the Conservative majority, unquestionably, will support him.

* * *

IN POINT of fact, if Sir Robert Borden had been in command of his government in the Commons in 1919 when the anti-titles resolution was under discussion it is most unlikely that it ever would have carried. Circumstances conspired to enable the resolution to get through. Had these titles survived 1919, there is no good reason to believe that they would not have continued through the Meighen and Mackenzie King regimes. Taken at its lowest value, the granting of titles is too potent a form of patronage for any Prime Minister lightly to abandon.

* * *

WITH regard to the Prime Minister, the titles question recalls a most interesting and hitherto unpublished period of his career. It is not commonly known, although it is true, that Mr. Bennett actually retired from public life in 1921. More than that, he arranged to wind up his business and legal affairs. Pending the closing out of his law practice at Calgary he left Canada, went to England and was engaged in building up a new home when certain unexpected events intervened.

In other words Mr. Bennett intended to retire to England, where a peerage would almost certainly have followed, in 1921 and only a dispute with respect to his legal affairs in Calgary, involving his pledged word to certain associates, caused him to abandon this plan and return to Canada.

The 1925 election came around before he had completely disposed of his affairs and unravelled the tangle which had brought him back to Alberta. He was nominated and elected to Parliament. But even then, an inscrutable fate was not finished with him. He had promised to return to Alberta and speak on behalf of A. A. McGillivray, then Conservative leader in the province, who was facing an important by-election in Calgary. The call came just as the constitutional crisis developed in the Commons. Mr. Bennett endeavored to avoid leaving Ottawa; Mr. Meighen, then premier, urged that he stay. But the promise had to be kept with the result that the famous "shadow" cabinet was materially weakened.

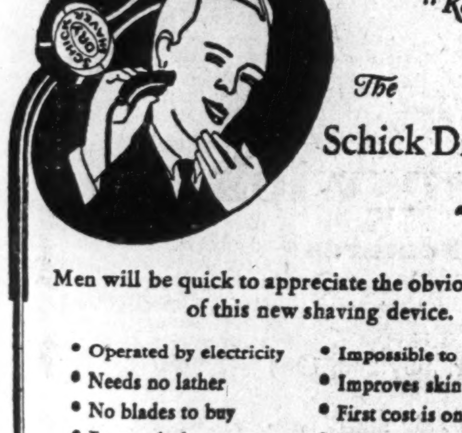
Mr. Bennett would have been the acting leader of the Meighen Government in the Commons and the emergence of the constitutional issue probably would have been avoided. In this event, Meighen in all probability would have carried the country in 1926 and Bennett would never have been the leader of the party and the prime minister in 1930.

But, in any event, these were the events which prevented Mr. Bennett's retirement in 1921, which prevented him accepting a seat in the Lords.

* * *

WITH the restoration of titles the way will once more be clear for him, but it is not anticipated that he would accept a peerage until his work as prime minister were over.

As for the commercial aspect of the question, a resumption of the practice of bestowing titles upon recognized leaders in the various walks of the business community may be resumed at any time.



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Say Ottawa's Duty To Initiate Revision To Company Laws

Provinces Believed to Be Ready to Conform With Revision of Dominion Legislation — Understood Action Requested of Ottawa

SUGGEST NEED FOR ROYAL COMMISSION

Contended That Our Ten Companies Acts Result in One of Weakest Structures in Civilized World—Uniformity in Essential Features Believed Necessary—Provinces Cannot Act Effectively Alone

That the onus of responsibility lies with the Department of State of the Dominion government to start proceedings in an attempt to improve and make uniform the ten Canadian companies acts, is the opinion of investment bankers, investors, barristers and informed observers of the condition of company laws of this country, as expressed to The Financial Post.

Those interested in such laws say that the provinces practically agreed to get together with the Dominion at the joint conference early this year. It is also understood that action has been requested since then by some provincial authorities, but that official Ottawa has done nothing.

Suggests Royal Commission

One authority suggested to The Financial Post that an investigation and report by a Royal Commission might be necessary to achieve necessary improvements in Canadian company laws. It was contended that our laws are among the weakest of their kind in countries of advanced civilization. Uniformity, at least in some important respects, is considered by a number of reformers to be a virtual necessity.

The British Companies Act of 1929 is considered an example which Canada should try to follow, according to those consulted on the matter by The Financial Post. But it was pointed out that even the British legislation could be improved.

The prime object of advocates of revision of Canadian companies acts is to protect the investor, shareholder and creditor. Investment bankers appear to feel that they themselves would benefit from certain stricter regulations governing companies acts and issues of securities.

Uniformity Needed

What should be attempted in Canada is to achieve uniformity, experts say. Our present laws are under the administration of the nine provinces and the Dominion. The result is that there is competition, perhaps unconscious, for incorporations and the accompanying fees. Consequently companies have been organized under Canadian laws which leave shareholders handicapped. It is, for instance, difficult for a shareholder residing in one province to investigate the affairs of a company which is incorporated in another province. Details of operations are also obscured in numerous cases.

Another of the great weaknesses of our present laws is that, with few exceptions, they do not require corporations to give information which is essential if shareholders are to get anything like a true picture of their affairs, according to authorities. In their opinion it is obvious that changes in these conditions can only be achieved through uniform legislation. Otherwise corporations would simply take advantage of the weaker companies acts and would incorporate under them. This is the condition which now prevails, according to those who should know.

With a crying need for reform evident, it is puzzling to the average citizen that action has not been taken. An important reason, as far as The Financial Post has been able to determine, appears to be procrastination at Ottawa. There is also unwillingness on the part of certain provinces to "start the fireworks" which might bring the needed reforms. Another reason is the apparent unwillingness of individual provinces to surrender certain forms of procedure which they have developed in respect of company incorporation and control.

Provinces Seek Action

It is understood that certain provincial authorities have asked Ottawa to act. After last winter's conference of provincial and federal premiers, there were many who nursed fond hopes of early action. Professor R. G. H. Smails, of Queen's University, for instance, recently stated that he believed we were within reasonable distance of achieving uniformity and reform But Hon. C. H. Cahan, Dominion Secretary of State, replied that no act was being drafted at Ottawa, although such had been the impression given by Mr. Smails.

Although some provinces are understood to have asked Ottawa for action privately, they have been timid about starting agitation in public. The reason is that there has grown up in Canada what might be termed provincial nationalism. In insurance and in corporation law the provinces and the Dominion have not been co-operating in recent years, according to insiders. In fact it is felt that at times they have been opposing each other.

The present position is that one province will not revise its laws and thus drive incorporations into other provinces. This, it is claimed, would merely lose revenue without achieving anything. Also it is contended that a single province might jeopardize the possibility of gaining uniformity if it were to be too aggressive in advocating reform.

Look to Ottawa

For these reasons, therefore, some provincial officials feel that Ottawa should take the lead. But without a spur from outside it is feared that reform may not come from Ottawa for some time. The pity of this is, according to investment bankers and economists, that in the meantime there is a possibility that public sentiment which might force reforms may change. It is thought that the bitter experience of investors in recent years may be forgotten. At the present time, it is felt that if the Dominion were to inaugurate reforms and suggest to the provinces that they follow suit, public opinion would make it necessary for the individual provinces to act. If the possibility of this public pressure dies because of delay, it is thought that reform of company laws will have lost a valuable ally—indignation of citizens at the present lax state of affairs.

Because of this, the cry of the reformers, who represent some of the best elements of Canadian thought, is: "Do it now." And they direct their appeal to the Department of State at Ottawa.

The suggestion that a Royal Commission might be advisable is made in the hope that British, Canadian and American legal authorities would act on it. By this means, sponsors of a commission expect that a definite plan of reform and a nation-wide uniformity of administration would result. A report by a capable commission, it is claimed, would contain definite recommendations, made to order, and ready for enactment.

Three Reforms Needed

The chief reforms suggested appear to fall into three groups: (1) Complete disclosure of essential details at the time securities are issued; (2) Disclosures of all necessary details after incorporation, including definite delineation of responsibilities of auditors, so that shareholders and creditors would at least have vital facts available; (3) Uniform administration of company laws and sale of securities throughout Canada.

Lt.-Col. George A. Drew, Ontario Securities Commissioner, recently stated publicly that he would like to see a Dominion-wide organization to regulate sale of securities. But this he acknowledges to be secondary to uniform revision of the present companies acts. It is not possible to regulate in this way until the necessary legislation has been enacted.

It should be noted that it is not the object of reformers to hamper or restrict the sale of securities. In fact investment bankers advocate reforms themselves. But the reforms requested consist chiefly of preventive measures which it is hoped would hamper the incorporation, administration and sale of securities by companies which are not giving the investor and creditor a fair deal.

The object would not be to have governments pass on the soundness of securities. It would be to ensure adequate information being given to the public. It would still be necessary for the investor to use his own judgment and discretion in buying. What the reformers ask is that the investor and creditor be given information which would allow them to make sound decisions. This, they claim, is not possible under our present laws.

Editor's Note. — Another article discussing suggested reforms in the Canadian companies acts will be published in an early issue.

Tobacco Needs of Canadians On Good Scale

From Our Own Correspondent

MONTREAL.—Tobacco released for consumption in Canada during the first four months of this year indicate that manufacturers of cut tobacco and cigarettes are doing as much business as was the case for the same period in 1932. Producers of plug tobacco, cigars and overweight cigarettes, however, have not been doing so well.

The amount of cut tobacco entered for consumption between January and the end of April this year was, in round figures, 5,300,000 lb. This compares with 5,400,000 lbs. for the same months of 1932. Cigarette consumption totalled approximately 1,146,900,000 for the first four months of this year as against 1,133,500,000 for the same period of 1932.

Smoke Fewer Cigars

Plug tobacco consumption is on a definitely lower basis this year. For the first four months of this year 22,045,000 cigars were entered for consumption compared with 35,615,000 last year.

These figures, based on government returns, would indicate that Imperial Tobacco Co. of Canada, principal tobacco manufacturer in Canada, is holding its own as far as production is concerned, with the likelihood that earnings are somewhat higher than a year ago.

Economic Wisdom Repeats Itself

Wisdom and Fallacy Down the Ages

* * * *

DISTRESS FORTY YEARS AGO

"Hard times are with us; the country is distracted; very few things are marketable at a price above the cost of production; tens of thousands are out of employment; the jails, penitentiaries, workhouses and insane asylums are full; the gold reserve at Washington is sinking; the government is running at a loss with a deficit in every department; a huge debt hangs like an appalling cloud over the country; taxes have assumed the importance of a mortgage, and 50 per cent of the public revenues are likely to go delinquent; hungered and half-starved men are banding into armies and marching toward Washington; the cry of distress is heard on every hand; business is paralyzed; commerce is at a standstill; riots and strikes prevail throughout the land; schemes to remedy our ills when put into execution are smashed like boxcars in a railroad wreck, and Wall Street looks in vain for an excuse to account for the failure of prosperity to return since the repeal of the silver purchase act."

—*(Extract from Coin's Financial Series, Issued Quarterly, June, 1894.)*

* * * *

ANOTHER PICTURE OF THE 90'S

"On one Blue Monday (in the '90's) nothing but actual cash counted on the Pittsburg Livestock Market. Cheques and drafts were not accepted. Employers could not always get money to pay their help so they did not pay. For that reason we went without a few meals in those days, but these were not consecutive meals. Many sheep would not pay the freight to market, though the freight was much less than now. Hogs were below $4 part of the time and top cattle below $5 most if not all the time. Horses were almost given away. All grains were cheaper than now. A friend bought corn in Nebraska at 10 cents a bushel husked and delivered to his feed loft. Less cash was needed than now but we had fewer things on which it was necessary to spend it. Many other things we count necessities today were luxuries then. Others entirely unknown. We got along somehow, working hard for low wages and spending little, and that did not hurt us any. In fact, the lessons of those days helped many a man to prosper in later days."

By E. S. Bayard, editor of the Pennsylvania Farmer, in a recent issue.

* * * *

Both of these extracts are furnished by Maj. H. G. L. Strange, of Winnipeg.

Paramount Trustees Sue Banks on Preferences

Seek to Upset 1932 Arrangement to Transfer Uncompleted and Net Film Rentals to Film Production Corp., a New Subsidiary

Charles D. Hilles, Eugene W. Leake and Charles E. Richardson, as trustees in bankruptcy of Paramount Publix Corporation, have filed a suit in the United States District Court against eight New York banks and four out-of-town banks to set aside and to void alleged preferences given by Paramount to the banks. The complaint seeks to upset a transaction made in March, 1932, by which uncompleted films and net film rentals of Paramount were transferred to a newly organized subsidiary called Film Production Corporation.

The principal theory upon which the complaint seeks to set aside the March transaction is that Film Production Corp. was an instrumentality or agent of Paramount, and that the banks who were made creditors of this new company to the extent of approximately $13,000,000 are really creditors of Paramount with no greater rights as against the assets of Film Production than any other general creditors of Paramount.

The principal defendants named in addition to Film Production Corporation. are the National City Bank, Bankers Trust Company, County Trust Company of New York, Manufacturers Trust Company, Chemical Bank & Trust Company, Commercial National Bank & Trust Company of New York, Continental Illinois Bank & Trust Company, Tradesmen's National Bank & Trust Company. the First National Bank of Chicago, Empire Trust Company, and Bank of America National Trust & Savings Association.

Want to Continue Subsidiaries

While the trustees question certain transfers of assets by Paramount to Paramount Pictures Corp., Paramount Production, Inc., Paramount Pictures Distributing Corporation and Paramount International Corporation in November, 1932, the trustees in their complaint do not question the validity of the existence of thees operating companies and state specifically that they wish to continue the operation of them for the reason that they believe that it is important and in the best interests of the trust estate and the creditors that these companies be continued. They also ask that all contracts made by these companies since January 26, 1933, be held binding against the assets of the respective companies.

The production of motion pictures by Paramount Productions, Inc., the distribution of pictures by Paramount Pictures Distributing Corporation and the business of Paramount International Corporation will in no way be affected by the relief asked for by the trustee in their complaint, and the business of these three companies will continue. All of the stock of these companies is owned by Paramount Pictures Corporation the stock of which is owned 100 per cent by the trustees.

The defendants have twenty days in which to file their answer. Messrs. Root, Clark, Buckner & Ballantine are attorneys for the trustees.

Price Bros. Sawmills Register More Activity

From Our Own Correspondent

MONTREAL.— Price Bros. and Co. mills at Rimouski, Priceville and Matane are working at full capacity with almost 1,000 hands employed. Between 12 and 15 vessels are scheduled to load at the various mills during the summer, making a total estimated shipment of 30,000,000 ft. to the United Kingdom market. In addition it is expected approximately 20,000,000 ft. will be shipped to the United States.

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RIGHT SIDE OF THE BED

"A TIMELY TIP!"

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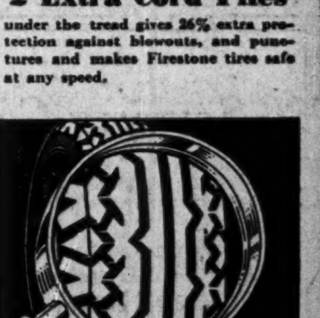
Firestones do not cost one cent more than ordinary tires, but only in Firestone tires can you get a combination of Gum-Dipped Cords, 2 Extra Cord Plies under the tread, Balanced Construction and a scientifically designed Non-skid tread which make for extra strength . . . extra safety and extra mileage.

Replace worn tires today. Buy Firestone . . . the strongest, safest and most economical of tires. See the nearest Firestone Dealer.

Gum-Dipped Cords
with every fibre of every cord coated and saturated with rubber have 58% longer flexing life.

2 Extra Cord Plies
under the tread gives 26% extra protection against blowouts, and punctures and makes Firestone tires safe at any speed.



25% more Non-Skid Wear
The Firestone tread is wider, deeper and scientifically designed for positive traction and safety.

2 EXTRA CORD PLIES UNDER the TREAD at NO EXTRA COST

Amazing New Guarantee
Firestone tires are guaranteed for 12 months against blowouts, cuts, bruises and all other road hazards except punctures—another good reason why you should equip with Firestone.
Although Firestones are *guaranteed* for the period they are made to last much longer.

Lower Priced Oldfield Tires
If you want a low-priced but dependable tire that will give you thousands of carefree miles ask for the Firestone Oldfield—a big, full-sized tire that has the quality and features of tires costing much more.

The TIRE *that* TAUGHT THRIFT *to* THOUSANDS

Firestone High Speed TIRES

Utilities and Transportation

WEST KOOTENAY PLANS FURTHER DEVELOPMENT

Asks Inter. Joint Commission to Permit Dam at Cora Linn

From Our Own Correspondent

VANCOUVER.—West Kootenay Light and Power Co. may carry out further expansion in the near future if the big fertilizer plant of Consolidated Mining & Smelting Co. can use seasonal power for about seven months of the year, according to Lorne A. Campbell, vice-president and general manager of the power company.

Mr. Campbell points out that the Kootenay River power sites have not yet been fully developed, and that an additional 120,000 horsepower may be obtained through development of power near Brilliant, on the Kootenay. This would bring the company's total up to 340,000 horsepower.

If seasonal power could be used, it would be possible for the company to provide four or five times the volume during seven months of the year. And in addition there was the Pend Oreille power site only ten miles from Trail and drilling had given entirely satisfactory results there, Mr. Campbell stated.

Would Cost $24,000,000

If the Pend Oreille was carried out as planned, a head of 350 feet would be developed. This would be one of the highest heads in Canada. But the development, if carried out, would cost about $24,000,000.

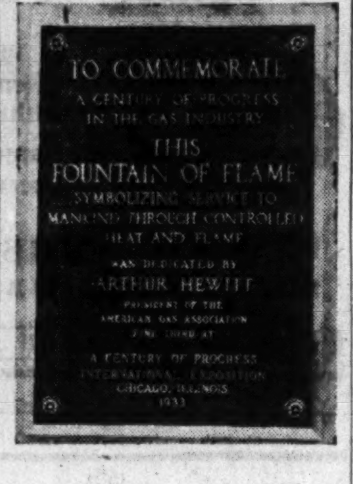
"The Kootenay River has been very kind to us," said Mr. Campbell, discussing the company's progress and plans for the future. "Developments to date have cost us less per horsepower than if the stream had been developed under one head as it might have been."

Giving figures on the Kootenay system, Mr. Campbell said that the area of Kootenay Lake was 170 square miles, and the drainage area of the river and lake was 17,750 square miles. The river mileage was 400 miles. The Kootenay would have been far more valuable to the company, however, if it had confined its meanderings to British Columbia instead of flowing through Montana and Idaho. Mr. Campbell hopes that international difficulties may be straightened out so that the company may be able to use Kootenay Lake for storage purposes, as has been planned.

Meanwhile the West Kootenay Company is planning to put its case for controlling the level of Kootenay Lake and Kootenay river before the international joint commission on boundary waters, which will meet in Nelson June 14.

The provincial government of British Columbia will support the company's contention that the proposed dam at Cora Linn, near Nelson, will not affect the interests of the United States.

Canadian Honored



The only Canadian to participate in opening ceremonies of the great Chicago Exhibition was Arthur Hewitt, vice-president and general manager of The Consumers' Gas Co. of Toronto. His address dedicating the Fountain of Flame at the forecourt entrance to Gas Industry Hall occurred on June 3. Above is a photograph of the bronze tablet on the monument.

NOVA SCOTIA LIGHT REDUCES DIVIDEND ON CAPITAL STOCK

Nearly $35,000 Saved Yearly by Cutting Rate from $4 to $3

From Our Own Correspondent

MONTREAL—Nova Scotia Light and Power Co., operating the public utility services in Halifax, has reduced the dividend on its common stock from $1 to 75 cents a share quarterly.

On the above basis the annual distribution of profits in the form of dividends is reduced from $138,092 to $103,569.

While no statement has been issued by the company, this action has likely been taken by the directors in view of the fact that net income available for distribution on the common stock has declined from $205,008 in 1930 to $124,488 in 1932, and to the unsatisfactory working capital position.

Working Capital Deficit

The Nova Scotia Light balance sheet at the end of last year showed an excess of current liabilities over current assets totalling $179,002, compared with $73,340 at the end of the previous year. Among the current liabilities is a bank loan of $150,000, an amount $50,000 less than at the close of 1931.

On the new dividend basis earnings of the company are sufficient to take care of payments provided that net revenues are on or above the 1932 basis.

MANY NEW POINTS IN DELIVERY VAN BY STUTZ CAR CO.

Fleet Owners Promised Substantially Lower Upkeep Costs

With an engine about the size of one cylinder of the Stutz passenger car, a new delivery wagon, manufactured by the Stutz company, has made its appearance in the Canadian market.

The "Pak-Age-Car" as this new vehicle is called is designed primarily for firms having large amounts of door-to-door delivery work, such as milk companies, bread companies, large department stores, etc. In general design it approximates closely to a number of other vehicles of the same type which have become increasingly popular during the past few years, but, in addition, a number of new features appear in this car which are claimed to allow of cheaper running and greater reliability.

Mechanical Horse

Perhaps the outstanding feature of the "Pak-Age-Car" is that the engine unit, gas tank, exhaust, etc., are all mounted on the rear wheels forming a separate unit. This unit, known as the "mechanical horse," can be entirely detached from the body in a few minutes. It is claimed for this innovation that in the case of any mechanical failure, the service garage can tow a new unit to the scene of the breakdown, detach the "mechanical horse" by the removal of three bolts and fit a new unit in 15 minutes. The service mechanic will not have to enter the vehicle or disturb the load.

The small 4-cylinder engine is the same type as installed in the American Baby Austin, and The Financial Post understands that it has been manufactured under an arrangement with that company. Cheapness of operation with this small engine is one of the selling points of the manufacturers, gasoline consumption of one quart per hour being claimed. Once started, the engine can be kept running throughout the day at a very small cost.

Cost is $1,700

While the initial cost in Toronto at about $1,700 is approximately three times that of a horse and delivery van, it is in competition with this type of delivery service that the "Pak-Age-Car" has been designed. It is claimed for the new car that tests made in the United States on milk routes demonstrated a material saving in costs over horse-drawn, electric or other gasoline driven vehicles.

Blair Gordon Elected to Dominion Textile Board

From Our Own Correspondent

MONTREAL.—G. Blair Gordon was elected director of Dominion Textile Co. at the annual meeting of the company. He takes the place of James H. Webb, who recently retired.

The annual meeting was a routine affair with the president's statement and the auditors' report being adopted. Other members of the board of directors were re-elected without change.

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OTTAWA TRAMS FARE SCHEDULE UPPED BY BOARD

No Return to be Allowed on Depreciation Reserve

From Our Own Correspondent

MONTREAL. — Ottawa Electric Railway Co.'s application for a straight 10-cent fare has been refused by the Board of Railway Commissioners for Canada, but the Board allows the company a new tariff of a 10-cent cash fare for a single trip and two tickets for 15 cents for a five-year period beginning August 13 next.

Under existing schedules, the tram company charges 7 cents cash fare and four tickets for 25 cents. The new rate means an increase of 3 cents in the cash fare and 1¼ cents in the ticket fare. No other changes in existing fares are allowed. For persons 51 inches and under in height, tickets remain at 7 for 25 cents and school children's tickets at 14 for 50 cents. The fare after midnight and until 6 a.m. stays at 10 cents. In view of the increase permitted, the company will discontinue the present practice of selling 17 tickets for $1.

Cut Down Reserve

While the company was successful in its application for increased fares, it did not fare so well. The Commission decided that the company was not entitled to a return on the capital cost of the plant but on actual capital investment. This cuts the amount to which the company is entitled to a return from $6,379,382 to $3,940,926, as the Board decided that a return cannot be allowed on $2,438,756 depreciation reserve. Further, it was found that the rate of 4.11 per cent for this reserve allowed the company in 1928 was too high and instead of striking a new rate the Board ordered that for the new five-year period the amount to be set aside for this reserve shall not be more than $150,000. In 1932, $263,000 was credited to this reserve.

All members of the Railway Board agreed that the 10 per cent return allowed the company is fair and should be continued and likewise all agreed to the higher tariff.

In 1932 the Ottawa Electric Railway Co. had a net income of $457,286. After providing for all senior charges, there was a surplus of $31,831, or the equivalent of 90 cents a share on the company's capital stock. Dividends were paid regularly by the company since 1893 to 1927, but since that time there have been no disbursements.

WHEAT, CATTLE AND SUGAR BEET CONDITIONS GOOD

Lethbridge Area Farmers Are Optimistic—Retail Stores Benefit

From Our Own Correspondent

LETHBRIDGE, Alta. — "More like old times," is the report repeatedly coming into this city from district points as stories are told of busy Saturdays for retailers with trade brisker in all lines. City and district trading points are thronged at week-ends now, merchants reporting money more plentiful and buying freer. Certainly there is a more confident feeling as farmers see wheat, livestock and cream prices firming up.

Wool growers are also happy as shearing starts at the big range camps, this city being the centre of the great range sheep region of the west. Two cars of new wool have already moved east on consignment to the Canadian Co-operative Wool Growers' warehouse at Weston, Ont., and shipments will go regularly until the clip is cleaned up. Independent buyers are arriving and some lively competition for the new clip is forecast, this also reminiscent of the pre-depression days. No sales have been reported as yet although wool prices are roughly double what they were a year ago. Lamb prices are also strong and flock owners expect to do very well this year as the lamb crop was average and the wool is of excellent grade.

Crop Conditions Favorable

Crop conditions are favorable and while a good general rain would be welcome now nothing is suffering. Spotty rains are helping considerably. Wheat is standing from three to four inches high and a good stand generally. In some areas east and north of the city, notably at Retlaw, some rather severe grasshopper damage is reported but with well-organized facilities for fighting the plague with poison bait—there are bait depots at all crucial centres — a winning fight against the hoppers is looked for. Large quantities of bran and sawdust are used in mixing the bait which is scattered over the fields moist, the hoppers sucking the moisture, a deadly poison.

Sugar beet farmers are busy thinning their fields and with normal stands reported from all the producing areas the prospects are bright for a good sugar beet crop. Fear is expressed that the beet webworm may give some trouble but the company and growers are ready to meet the challenge with poison bait if danger develops. Thus far no damage is reported to the tender new plants. Sugar prices are strong which means growers will benefit under their profit-sharing contract with the sugar company and with an improved world outlook for sugar, farmers are renewing their campaign for additional factories in this territory.

Ship Cattle to Britain

Range conditions are good. Grass is plentiful and the watering ponds and reservoirs are carrying ample reserves. Finished beef cattle from the Red Label beef lots are now moving to the United Kingdom every week early returns revealing a brisk demand for Canadian light beef, animals weighing around 850 pounds.

Twenty cars of Red Label cattle left the Lethbridge stockyards this week for Glasgow, Manchester and Cardiff.

Huge I. P. Property Reported as Altered By $26,000,000 Switch

(Continued from page 1)

mortgage bonds of International Paper Co. These first mortgage bonds still remain also a contingent liability of International Paper Co. But the agreement covering the assumption of the first mortgage bonds is secured to International Paper Co. by a mortgage on the properties released, subject, of course, to the first mortgage.

There remained $9,840,000 to be paid. This figure is the difference between the $26,300,000 of properties securing the International Paper 6's of 1955 and the first mortgage bonds assumed by the purchaser.

Deal Has Two Sections

At this point the deal splits into two sections: (1) the manner in which payment was made and (2) the manner in which collateral for the 6's of 1955 was substituted.

The remainder of the purchase price was paid in cash, which apparently merely circulated from one of the chain of companies to the other. A demand note of Canadian International Paper Ltd., a subsidiary of International Paper Co., was substituted under the trust deed in place of the transferred power properties.

The actual amount of cash paid was $14,705,000. This, however, included amounts not applicable to the power properties which had been securing the 6's of 1955. In discussing the deal it is necessary to mention this sum, but only $9,840,000 of it represents payment for the portion of the properties affecting the trust deed in question.

Apparently International Hydro-Electric System advanced $14,705,000 to its subsidiary, International Hydro-Electric Corp. The latter then paid it to International Paper Co. for the properties. International Paper Co. then used the funds to pay off a floating debt to its parent, International Paper & Power Co. The parent company in turn paid off a similar debt to International Hydro-Electric System. The net result, therefore, was apparently that inter-company indebtedess was cancelled and International Hydro-Electric Corp. remained indebted to International Hydro-Electric System.

International Hydro-Electric System apparently holds a note of its subsidiary secured by an equity in the transferred power properties. International Paper & Power Co. and International Paper Co. cleared off floating liabilities. The note, which International Paper Co. paid off with the "cash," was secured by some of the company's "most important asset" in the words of company officials.

Expenditures Behind Note

As to the substitution of a demand note of Canadian International Paper Ltd., under the trust deed in place of the power properties, officials of International Paper Co. point out that the note is for $16,571,218.12 at six per cent. The equity of the International Paper 6's of 1955 in the power properties was only $9,840,000. Moreover the note represents more than its face amount, officials state. It represents expenditures of $23,395,413 on improvements to properties controlled by Canadian International Paper Ltd. These properties belong to Canadian International Paper Co., International Power & Paper Co. of Newfoundland and other subsidiaries of Canadian International Paper Ltd. The latter is purely a holding company.

Despite the fact that the face value of the demand note and the expenditures it represents, are much greater than the estimated value ($9,840,000) of the power properties securing the International Paper 6's of 1955, some bondholders would have preferred that this change in the security had not been made. In face value and book value of expenditures the note is clearly preferable. But these bondholders would rather have had as security the earnings of the power properties and their alleged greater relative saleability.

Earnings from the power properties after paying interest and operating charges are claimed to be about $950,000 per annum. But all of this did not apply to the International Paper 6's of 1955, according to International Paper Co. Part of the amount represents earnings from properties which were not subject to the lien.

Security Substituted

Security removed from under the trust deed was: $9,840,000 in estimated value of assets, and a major part of $950,000 per annum in earning power. The security substituted for this was, the $16,571,218.12 demand note of Canadian International Paper Ltd. Annual interest on this note would be $994,273. If this interest is paid regularly, there would appear to be a gain in earnings securing the 6's of 1955.

An important difference between the demand note and the power properties in the minds of bondholders is that the power earnings were considered more or less assured. They feel less certain of the earnings and the interest on the note of Canadian International Paper Ltd. The reason for this lack of confidence is that Canadian International Paper Ltd. is merely a dummy holding company of which the business is obscure. Its earnings to pay interest depend chiefly on the earnings of its subsidiary, Canadian International Paper Co. The latter and, in turn, its subsidiaries are purely paper companies. Some of them have been doing comparatively well. But this string of companies is already mortgaged. Thus, if they fall into the same difficulties which have bedevilled many other paper companies, there may be little actual value in their junior securities. These junior obligations are the only security behind the demand note in case of difficulties in meeting the interest on it. And junior obligations of paper companies are now less desirable as security than equities in power properties, in the opinion of some holders of the International Paper 6's of 1955.

Additional Covenant

An important covenant was given by International Paper Co. in connection with its subsidiary Canadian International Paper Ltd. when the demand note was substituted. International Paper Co. agreed with Bankers Trust Co., trustee for the 6's of 1955, that so long as any of 6's of 1955 of the present series A are oustanding, it will not permit Canadian International Paper Ltd. to mortgage or pledge any of the shares of stock of Canadian International Paper Co. to secure funded or unfunded obligations including bank loans. This is subject, however, to a provision that International Paper Co. shall continue to have the right, in the manner permitted in the refunding mortgage, to allow such shares of stock of Canadian International Paper Co. to be mortgaged or pledged to secure any issue of debentures or bonds made in connection with a merger with, or acquisition of, two or more major Canadian newsprint properties.

The importance of this covenant is that the chief assets of Canadian International Paper Ltd., are its holdings of stock in Canadian International Paper Co. and through it, in New Brunswick International Paper Co. and International Paper & Power Co. of Newfoundland Ltd.

Prefer Power to Paper

In brief, bondholders who do not like the change in security would prefer the stable power earnings instead of paper company earnings, no matter how much was invested in improving the paper properties. They feel that the investment itself is no guarantee of security or earnings because of the present unfavorable situation of paper companies.

Additional Issue of Bonds

It might be argued against the holders of International Paper 6's of 1955 that additional pari passu bonds might have been issued by the company. Of this the company stated to the New York Stock Exchange:

"In connection with this sale of water power properties and their release from the refunding mortgage, $23,395,413.12 of . . . . exenditures (which amount includes expenditures represented by the above mentioned $16,571,218.12 note of Canadian International Paper, Limited) were eliminated as the basis for such issuance of additional bonds or withdrawal of deposited moneys."

The answer of bondholders to the suggestion that additional bonds could have been issued against the improvements is that in such case their security in the power properties would have been diluted, but would not have been removed entirely. It is also thought that perhaps additional bonds could not have been issued under the trust deed because earnings of International Paper Co. are not believed to have been up to the standard necessary to issue additional pari passu bonds.

Action of Trustee

Trustees and their discretionary powers, or the lack of them, is a question which arises in this transaction. Bankers Trust Co., the trustee for the holders of International Paper 6's of 1955, allowed the transfer of power properties from under the trust deed, and accepted the demand note in substitution.

The Bankers Trust Co. was apparently acting properly, according to the terms of the trust deed, in accepting the note as consideration for the removal of power properties from under the deed. The reason for this is that the indenture states that the company can transfer assets in this way, provided substitution be made in the form of evidence of disbursements made previously to develop properties. International Paper Co. is understood to allege that the demand note for $16,571,218.12 represents an actual book value of investment it had made previously in Canadian International Paper Co. and subsidiaries. Thus, no matter whether such investments may have depreciated or not, it was apparently quite in order, according to law, that the Bankers Trust Co. should accept the demand note as an adequate substitute for the power properties under the trust deed.

The question some bondholders ask is: Should a trustee be allowed by the law to exercise discretionary powers in examining the nature of the substituted security? Apparently something of this kind is done in Great Britain, and the trustee given the protection of the law against possible future claims on him for an error in judgment. It is understood that, in the case of the trust deed for International Paper 6's of 1955, the Bankers Trust Co. alleges that it was mandatory upon it to accept the proffered demand note as substitute security. If, therefore, it refused to accept the demand note as adequate substitute security, it might be making itself liable to subsequent prosecution in case it had made an error in refusing the note.

Opinion of Official

In contrast to the views of some bondholders, one official of International Paper Co. gives his view of the transaction, in part, as follows:

"I personally feel very strongly that the refunding mortgage bondholders were substantially benefitted by the transaction as the assets which became part of their security and the additional covenants entered into have strongly consolidated their lien on the controlling interest in Canadian International Paper Co. Prior to the transaction . . . . they had only a part interest in this equity.

"The release of the properties from the lien of the refunding mortgage and the subsequent sale of those properties together with other propperties which never were subject to the lien of the mortgage are, of course, two entirely separate and distinct transactions. Neither the refunding mortgage bondholders nor the trustee, of course, had any direct interest in the application of the proceeds of the sale."

FOREST RESEARCH BEHIND IN CANADA

Dr. C. W. Cowe, Toronto, Tells Congress Drastic Changes Needed

From Our Own Correspondent

VANCOUVER. — Canada, with one of the most valuable timber stands in the year, will soon be found hopelessly behind the rest of the world in forest management unless drastic changes are made, in the opinion of Dr. C. W. Cowe, dean of the faculty of the forestry, University of Toronto. who delivered a paper before the Pacific Science Congress here.

Dr. Howe said there was lack of co-ordination among the various authorities charged with administration of Canada's forest resources. In research work Canada had not even begun to keep pace with other countries, he said.

Dr. Howe spoke of the lack of cooperation among the forest research organizations in Canada. In normal times eight governmental organizations, four forestry schools, four pulp and paper companies and two associations, eighteen organizations in all, carried on some form of research work in the Canadian forests. Even within these organizations, however there has been lack of unity.

Forests of Canada, he advocated should be felled in such a way as to encourage natural regeneration and so that production might be increased over a term of years rather than curtailed. There should also be a certain amount of reforestation.

Homesteads Still Popular

The Alberta Lands Department during the first quarter of the year issued 534 homestead entries, there being 156 in January, 187 in February and 191 in March.

An Eastern Provincial Debenture to Yield 5%

The new issue of Province of New Brunswick 5% Sinking Fund Debentures, due July 2nd, 1963, is available in denominations of $1,000 and $500 and is payable in the principal Canadian cities and London, Eng.

Price: 100 and interest, yielding 5%

Orders should be mailed directly, or telephoned or telegraphed at our expense.

Wood, Gundy & Company
Limited
Telephone ELgin 4321
36 King St. West Toronto

World's Sugar Supply Shows Small Decrease

From Our Own Correspondent

MONTREAL.—Decline in world sugar supplies is expected to be helpful to the Canadian sugar refineries. In this connection the United States Department of Agriculture reports that world sugar supplies are smaller than at this time a year ago, a result, chiefly, of the reduction of 9 per cent in this year's production.

Stocks carried over into the 1933-34 season may still be abnormally large, and although prices are higher than a year ago, they are at unusually low levels, says the Bureau. World sugar production in 1932-33 was apparently well below consumption requirements for the first time in many years but a record carryover in August 30, 1932, maintained a liberal supply situation, it is stated.

World production of cane and beet sugar in the last sugar season is estimated at 26,821,000 short tons, which is 9 per cent below production in the preceding season and the smallest world crop since 1926-27. Consumption last year was estimated at 29,674,000 short tons compared with 30,394,000 short tons in 1930-31, most of the decrease in consumption having occurred in European countries. It is anticipated that the decline in sugar consumption in Europe will continue into 1932-33.

Canada Steamers Plan Passenger Schedule for 1933

From Our Own Correspondent

MONTREAL. — Arrangements are being made by Canada Steamship Lines in respect to its passenger traffic season. The company will operate a bi-weekly service between Montreal and the Saguenay, from June 23 till July 9, after which date the service will operate daily.

Commencing June 28, vessels will make the daily trip between Toronto and Montreal, while on the same date the summer season of the northern navigation division will be opened with the departure of the S. S. Noronic from Windsor, Ont., for Port Arthur, Fort William and Duluth.

We recommend
Canadian Pacific — Int. Nickel
Brazilian Traction
Grain Futures
Bongard & Company
80 KING ST. WEST - TORONTO
Guelph, Kitchener, Windsor, Hamilton, St. Catharines
Winnipeg Grain Exchange
Toronto Stock Exchange
New York Curb (Assoc.)
Chicago Board of Trade
Montreal Stock Exchange
Montreal Curb Market
Commodity Exchange Inc.

CANADIAN INVESTMENT FUND, LTD.
Provides a complete Investment program embracing an unusually high degree of
Security, Income, Marketability and Potential Appreciation.
Ask your investment adviser for folder C-15—it requires but 7 minutes to read.
CALVIN BULLOCK, LTD.
17

We offer
$2,474,000
Province of New Brunswick
Thirty-Year 5% Sinking Fund Debentures
(Non-Callable)
Dated, July 2nd, 1933 Maturing, July 2nd, 1963
Principal and half-yearly interest (January 2nd and July 2nd), payable in lawful money of Canada at the office of the Provincial Secretary-Treasurer in Fredericton, or at the Bank of Montreal, in Toronto, Montreal, Saint John, Fredericton, Halifax, Winnipeg and Vancouver, or in sterling at the fixed rate of $4.86⅔ to the pound sterling in London, England, at the option of the holder.
Coupon debentures in the denominations of $1,000 and $500 with provision for registration as to principal.
Subject to Legal Opinion of Messrs. Long & Daly, Toronto.

These debentures will constitute a direct obligation of the Province of New Brunswick and a charge on the Consolidated Revenue Funds of the Province.
These Debentures are exempt from taxation for all Provincial, Civic, Municipal and School purposes, except Succession Duties.
Information regarding the financial position of the Province will be found in the descriptive circular, copies of which will be furnished on request.

Price: 100 and accrued interest, yielding 5%

The Dominion Bank
McLeod, Young, Weir & Co. Ltd.
T. M. Bell & Co. Ltd.
Bell, Gouinlock and Co. Ltd.
Fry, Mills, Spence & Co. Ltd.
John M. Robinson & Co. Ltd.

The statements contained in this advertisement are based upon information on which we have relied in the purchase of these Debentures. We do not guarantee but believe the statements herein made to be true.

News of Investment Markets

HESITATION SEEN CANADIAN BONDS MARKET STEADY

Dealers Optimistic on Outlook For Selected Issues

Hesitation in its recent advance was recorded by the Canadian bond market during the week ended June 13. Firmness persisted, however, in gilt-edged bonds, Western provincials and in many industrial bonds. Some dealers are optimistic and look for a resumption of the advance of bond prices.

After dropping to a low for the year at 4.463 per cent on June 2, The Financial Post's average yield on seven gilt-edged Canadian bonds rose to 4.491 on June 8 and 9. There was some recovery from this development. But the recent sharp advance in high grade bonds was not maintained.

Western provincial issues advanced slightly during the week on comparatively small volume. Six per cent Western issues were par bid at the end of the week. While the advance of Westerns slowed down considerably, dealers state that bonds are relatively scarce.

Corporation Bonds

Among corporation issues, public utility bonds gave a good account of themselves during the week. This may have been due to their less enthusiastic response to the recent strong market in comparison with more speculative corporation bonds. Dealers inform The Financial Post that offerings are limited to small blocks. In some issues bonds are distinctly scarce.

The recent sharp rise of strictly speculative industrial bonds appears to have been halted, at least temporarily. Although dealers are inclined to feel that the cream of speculative profits are off some issues, they are optimistic about the outlook for selected corporation bonds. Improved business conditions are the basis of their optimism.

The trend of the market for gilt-edged Canadian bonds during June is indicated in the following table:

Average Yield on Seven High-Grade Canadian Bonds Based on Offering Prices

	%
June 13	4.484
June 12	4.488
June 10	4.483
June 9	4.491
June 8	4.491
June 7	4.477
June 6	4.474
June 5	4.470
June 2	4.463
June 1	4.467

I. B. A. CONVENTION AT SEIGNIORY CLUB JUNE 22 - 23 - 24

Active Programme in Prospect for Investment Bankers

Investment bankers from coast to coast will visit the Seigniory Club, Lucerne-in-Quebec, as guests of the club, at the annual meeting of the Investment Bankers' Association of Canada, June 22-24. Although only members of the Seigniory Club and their guests are eligible to visit the club, the Lucerne executive is extending a general invitation to members of the I. B. A. for the convention meetings. Last year 68 I. B. A. members visited the Seigniory Club for the event.

An active programme is in prospect, according to J. A. Kingsmill, secretary of the association. The annual meeting itself will take place on the morning of June 23. A humorous note is given to the official programme which states that the golf course will be closed to the investment bankers on the morning of June 23.

Thursday Programme

On Thursday, June 22, standing committees meet under the following Dominion chairmen:

Federal legislation, J. G. Weir of McLeod, Young, Weir & Co., Ltd., Toronto; Provincial Government Legislation, A. H. Williamson of Wood Gundy & Co., Ltd., Toronto; Municipal Administration and Finance, E. Savard of Ernest Savard Ltd., Montreal; Corporation Finance, F. J. Coombs of A. E. Ames & Co., Ltd., Toronto; Business Conduct, J. M. Wood of A. E. Ames & Co. Ltd., Montreal; Publicity, V. W. Odlum of V. W. Odlum, Brown & Co., Vancouver.

The president of the association, Colonel J. G. Weir of Toronto, will entertain the members of outgoing committees at dinner on the evening of June 22, following which there will be a meeting of the executive committee.

Dunlop Tire Adds To Plant and Staff

Plant expansion and increased employment has resulted at the Toronto plant of the Dunlop Tire & Rubber Goods Co. through commercial production of a new rubber product developed in the company's laboratories. "Lexetal," as this product is known, is a spongy rubber substance, honeycombed by myriads of tiny cells which add buoyancy to the material.

The new product is being manufactured into mattresses, cushions, automobile and truck seats and many other such articles. Chief feature claimed for the product is that it is self-ventilating and absorbs even the severest shocks.

National Steel Secure More Specialty Jobs

From Our Own Correspondent

MONTREAL. — National Steel Car's plant at Hamilton is busily engaged on an order for automobile bodies secured from the Ford Motor Co. For some time past the company has been making chassis and frames, but this is understood to be the first time they have gone into the making of the complete bodies.

Additional business has been secured from the refrigerator companies. In this connection National Steel is doing the woodwork for the cabinets. Started in a small way this business has developed into very satisfactory proportions.

The principal end of the company's business, however, the manufacture of rolling stock for the railways is still inactive. The railways have been forced to economize all along the line and no money is available for equipment. Later on in the year there is hope that some orders may be placed by the railways, but this type of business does not promise much in 1933.

Stock of National Steel Car has come in for a fair share of attention lately. It is currently quoted at better than 15, compared with a low of 5¼ last February and a high of 13¼ in 1932.

SWINDLER OBTAINS $23,000 IN BONDS

Wood, Gundy & Co. Victimized at Toronto—Montreal and Dominion Bonds

Wood, Gundy & Co. have been swindled at Toronto to the extent of some $23,000 in bearer bonds of the city of Montreal and the Dominion of Canada by an unknown cheque raiser and forger. The bonds were obtained by raising a $17 cheque to $15,299.25 in payment for $15,000 Montreal 5's of 1945 and by a bogus cheque for $8,431.37 covering $8,000 Dominion of Canada 5's of 1943. There apears to have been no immediate attempt to realize on the fraudulently obtained bonds.

The swindler used the name of M. C. Pritchard, a Toronto barrister, in placing orders for the bonds. He gave the correct address and telephone number, but made telephone calls to Wood, Gundy & Co. himself. He took delivery of the bonds through a representative at the Toronto City Hall branch of the Dominion Bank near Mr. Pritchard's office.

The numbers of the stolen bonds are: $8,000—Dominion of Canada 5 per cent bonds, due Oct. 15, 1943. Nos. T. E. 22882, 95180, 15429, 14870, 13359, 4633, 113, 82934.

$15,000—City of Montreal 5 per cent bonds (interim certificates), due Mar. 1, 1945. Nos. 7485, 4029, 4030, 4031, 2459, 2460, 2461, 1349, 7094, 3159, 2375, 5536, 2377, 2378, 4191.

National Trust Cuts Dividend Rate to 8 p.c.

Dividend rate on the stock of the National Trust Co. has been reduced to 8 per cent per year with the declaration of a quarterly dividend of 2 per cent payable July 1. This represents the second reduction in the current year, the dividend of $2.50 paid April 1 having reduced the annual rate from 12 per cent to 10 per cent. In 1930 and 1931 the company paid an annual dividend of 14 per cent which was reduced to 12 per cent with the quarterly dividend paid July 2, 1932.

In common with other trust companies the rate of interest paid by the company was reduced to 3½ per cent from 4 per cent effective May 1, 1933. The 5 per cent interest rate on guaranteed investment certificates remains in force but only renewals of present certificates are being accepted and temporarily no new certificates are being sold.

Sir Thomas White, a director of the company has been elected a vice-president.

NEW BRUNSWICK BONDS ALL SOLD IN ONE DAY AT PAR

Province Received 98.18 For 30-year 5's, Cost 5.12 Per Cent

Offering this week of $2,474,000 Province of New Brunswick 5's of 1963 at par was snapped up in one day. The province received a price of 98.18 for the debentures, a cost basis of about 5.12 per cent, from a syndicate including Bell Gouinlock & Co., T. M. Bell & Co., the Dominion Bank, MacLeod, Young, Weir & Co., Fry, Mills, Spence & Co. and John M. Robinson & Co.

Purchase of the bonds was made for an amount of $1,000,000 with an option on the remainder. The whole issue was sold.

Although the bonds are payable in lawful money of Canada, they also carry a provision that they are payable in sterling at $4.86 2/3 to the pound at the holder's option. The bonds are exempt from taxation for all provincial, civic municipal and school purposes in New Brunswick, except succession duties. The issue was sold to fund floating indebtedness incurred for permanent bridges and roads, direct relief and the New Brunswick Power Commission. It is not stated how much of each of these items made up the total.

Funded Relief

In connection with the funding of direct relief, this is one of the longest term issues covering such expenditures yet sold in Canada. Recently it has been the practice of borrowers to fund relief over a five-year period. Even this practice has been criticized in some quarters, it being contended that relief should be paid as a current expense.

FOUNDATION CO. INCOME FOR 1933 HOLDS UP WELL

Financial Position Shows Strengthening Over Past 12 Months

From Our Own Correspondent

MONTREAL. — Operations of Foundation Co. for the year ended April 30, 1933, resulted in a revenue comparing satisfactorily with that reported in the previous year. The official statement shows a net income of $78,786, as against $128,167 in 1932. In each case earnings reported are after depreciation charges. A new item which does not show up in the 1933 income accounts is an appropriation of $100,317 credited to the reserve against contracts.

The decline in income for the past year is stated by the president to be a reflection of the small amount of business offering. On the other hand, certain classes of work in which the company specializes in have been fairly active.

Increase Surplus Account

Details of the income account follow:

	1932-33 $	1931-32 $	1930-31 $
Oper. prof.	78,786	128,167	204,024
Dividend	...	74,025	84,600
Balance	78,786	54,142	119,424
Tax reserve	12,500	23,420	20,202
Surplus	66,286	30,722	99,222
Prev. surp.	637,734	607,012	507,789
P. & L. bal.	704,020	637,734	607,011

Working capital position compares as follows:

	1933 $	1932 $	1931 $
Curr. assets	947,074	1,068,132	1,589,763
Curr. liabs.	209,309	635,823	927,156
Work. cap.	737,765	432,309	662,607

Add to Reserves

On April 30 last the balance sheet showed assets of $2,790,956, down from $2,905,924 at the close of the previous year. Plant account remains unchanged, while bank loans have been reduced from $315,000 to $133,000 largely through the realization of investments which have declined from $348,054 to $172,125.

Reserves have been increased, the depreciation account now standing at $747,641, a gain of $137,953. The reserve against contracts has been increased from $288,636 to $388,953, while the insurance reserve has advanced from $24,043 to $31,032.

Markdale Borrows at 5.66%

Village of Markdale, Ont., has sold $59,710 of 5½ per cent 20-year debt debentures to R. A. Daly & Co. at 98.05, a cost basis to the village of about 5.66 per cent. Harris McKeen & Co. made a bid of 97.034, and J. L. Graham & Co. and C. H. Burgess & Co. asked for an option at 97.17.

Results of North Bay Tenders

City of North Bay has sold $15,000 six per cent 20-year debentures to Gairdner & Co., Toronto, at 96½. An option on the remainder of a $264,321 issue was given to the same firm for 60 days at 97. Two other bidders are understood to have sought options.

Brockville Sells Its Own Bonds

City of Brockville has sold $70,000 of 10-year, five per cent debentures at par. The bonds were sold by the city itself over the counter to local investors. Dealers consider the price obtained was highly favorable to the city.

Is New Manager

LT. COL. I. N. A. SINCLAIR
Just appointed by Hanson Bros. as manager of their Toronto office.

Riverside Club Bonds Offered by Syndicate

From Our Own Correspondent

MONTREAL.—A syndicate of Eastern Canadian investment houses, headed by T. M. Bell and Co. Ltd., of Saint John, are offering $25,000 of 6 per cent first (closed) mortgages of Riverside Golf and Country Club. This block forms part of an issue of $75,000, of which $50,000 have already been subscribed for by club members.

The issue is dated July 1, 1933, and matures on the same date in 1953. Proceeds of the issue will be used to refund and consolidate the present indebtedness of the club, consisting of $50,000 of bonds maturing June 27, 1933; $10,400 of outstanding notes and over $12,000 expended on capital account.

The bonds are secured by a specific first closed mortgage on all the property, buildings and equipment of the club, having a valuation of cost in excess of $185,000.

The bonds are being offered at par by the syndicate, which, in addition to T. M. Bell and Co., includes Eastern Securities Co., Imperial Securities Corp., Irving Brennan and Co., Johnson and Ward, Nesbitt, Thomson and Co., W. C. Pitfield and Co. and John M. Robinson and Co.

Port Arthur Asks Opinion and Bids on $357,230 Issue

City of Port Arthur has asked bond houses to submit bids on $357,230 of debentures, if the dealers feel the time is opportune for an issue. The city states in its letter: "If you feel that this is an opportune time to sell, we will be pleased to receive a bid."

The tentatively proposed issue consists of: $215,275 15-year debentures to pay off floating debt and for sinking fund purposes; $35,391 28-year local improvement debentures; $16,564 29-year local improvement debentures, and $90,000 of 15-year debentures, dated Oct. 1, 1932, for the city's share of local improvements.

Investment Foundation Liquidating Values Higher

From Our Own Correspondent

MONTREAL.—Investment Foundation Limited's portfolio has a break up value at the present time of slightly over $50 per share on the preferred, according to a statement made at the annual meeting by the president, H. C. Flood.

The company's preferred stock outstanding amounts to $1,668,850, at $50 par value, and the ability of the company to show a break-up value of securities held to fully cover the preferred was pointed to by the president, as a creditable showing in the light of conditions as they have prevailed generally.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Ontario Steel	*6%	1943	June 30	...

*Calling for tenders for $33,732, on account of sinking fund.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Markdale, Ont.	June 1	R. A. Daly & Co.	5½%	Serial	$59,710	98.50	5.69%
Petrolia, Ont.	June	Midland Securities	5½%	10-yr.	25,000	....	.....
Brockville, Ont.	June	Locally	5%	10-yr.	70,000	100	5%
Galt, Ont.	May	Locally	5%	20-ins.	41,000	100	5%
Terrebonne, Que.	June 2	Credit, Anglo-Français	5%	20-ser.	26,500	93.13	5.48%
St. Mary's Memorial Hospital Montreal	June 7	L. G. Beaubien & Co.	5%	20-ins.	350,000	97.57	5.25%
London, Ont	June 9	Midland Securities, Bank of Montreal, Harrison & Co.	4%	1945	380,000	96.357	4.74%
			4½%	10-ins.	524,000		
Amherst, NS.	May	Gairdner & Co.	5%	1951	30,000	94.75	5.46%
Provincial—							
New Brunswick	June	Dominion Bank, McLeod, Young, Weir, T. M. Bell & Co., Bell, Gouinlock & Co., Fry, Mills, Spence & Co., John M. Robinson & Co.	5%	1963	$2,474,000	*100	5%

*Offering price.

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year End	Net Income 1932 $	Net Income 1931 $	Common earnings 1932 $	Common earnings 1931 $	Curr. divid. $	Balance car. fwd. 1932 $	Balance car. fwd. 1931 $	Mkt.	Mkt. times earn.	Yield %
Canada Packers	Mar. 30, '33	607,672	450,303	0.92	0.14	...	4,259,040	4,073,622	...	...	...
Beath & Son	Dec. 31	*17,623	912	...	...	...	74,197	89,492	5	...	...
Can. Converters	Apr. 30, '33	6,056	18,160	0.35	1.05	2	534,821	563,434	30	...	6.7
Muirhead's	Feb. 28, '33	*12,914	16,591	...	0.14	...	*6,067	8,446	1¾	...	...
Can. Wirebound Box	Apr. 30, '33	*511	36,148	...	...	...	1,902	39,147	7	...	...

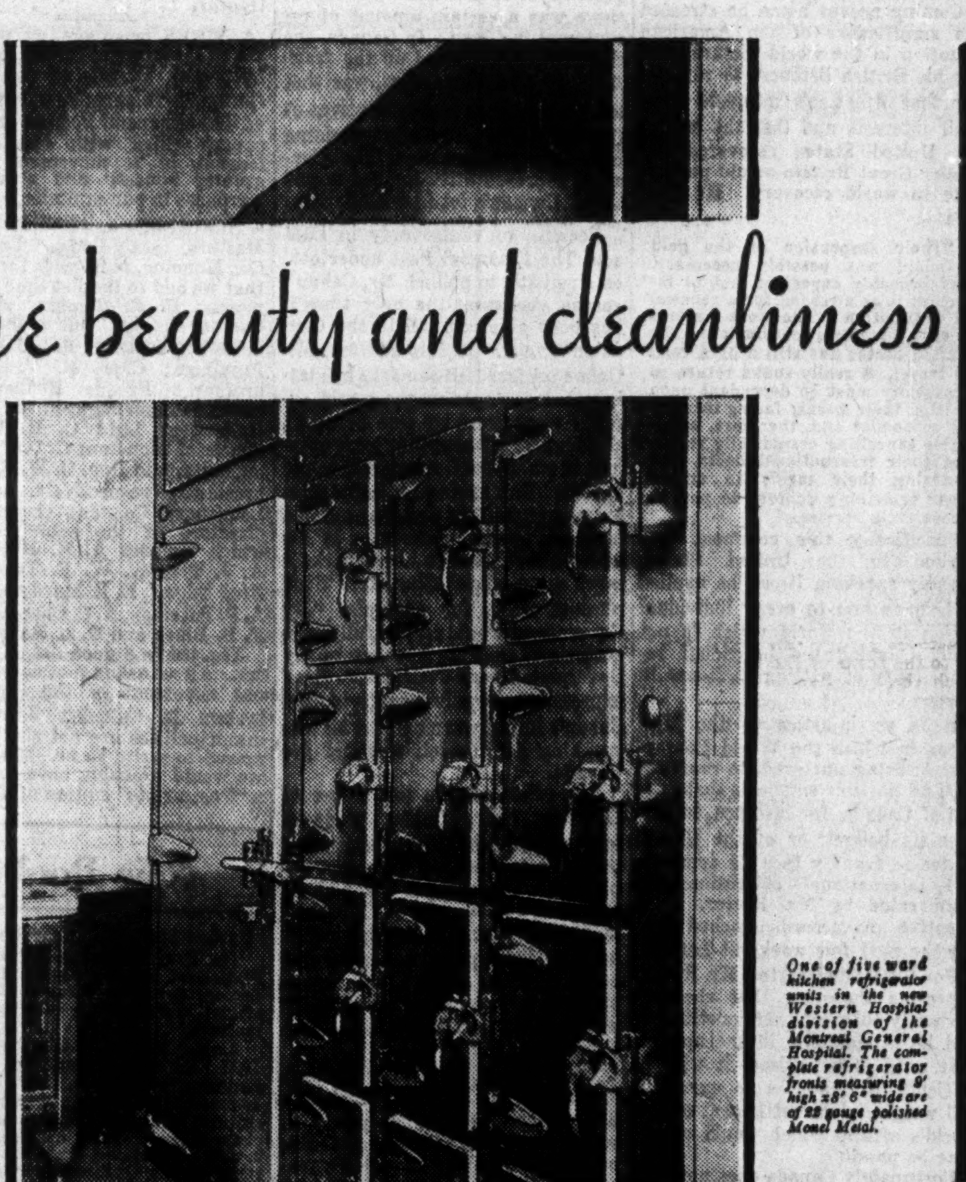
*Loss.

Smoke a BACHELOR CIGAR and relax

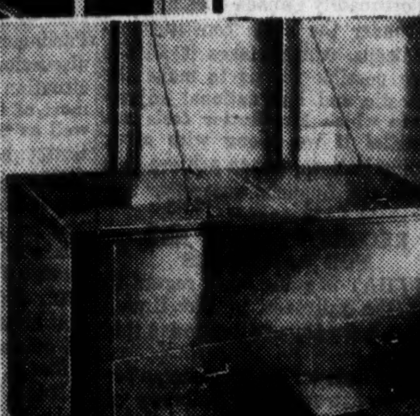
Learn to relax. Spend a quiet session with a Bachelor Cigar after every meal and frequently throughout the day. You'll feel better, think better, work better. Bachelor Cigar is a real aid to relaxation—cool, rich and mellow—mild and fragrant as only a quality cigar can be.

WILSON'S BACHELOR CIGAR
100% HAVANA FILLER

Life-time beauty and cleanliness



One of five ward kitchen refrigerator units in the new Western Hospital division of the Montreal General Hospital. The complete refrigerator fronts measuring 9' high x 8' 6" wide are of 22 gauge polished Monel Metal.



Cold storage fish and sea food cabinet six feet long in one of the ante-kitchens of the main kitchen in the same hospital. The whole exterior is of Monel Metal. Drawers are also of Monel Metal.

MONEL METAL
Extensively used by
RUDDY MFG. CO. LTD.
for
REFRIGERATOR UNITS
in Montreal General Hospital
(Western Division)

MONEL METAL
working surfaces are ideal for your kitchen

Because Monel Metal has proved by years of service to be the finest working surface for institutional kitchens, it is logical that it should become increasingly popular for equipment in home kitchens. Use it for sinks, cabinet and table tops, shelving and hoods, refrigerator and stove tops, food storage bins, etc.

Canadian Nickel Products Limited
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Please send me your booklet, "Facts about Monel Metal"
Name
Address

REFRIGERATION units for hospitals must be built to stand up under constant use . . . to require the minimum of cleaning . . . to give years of service. The Ruddy Manufacturing Co. Ltd. are using Monel Metal for all types of refrigeration installations for the following reasons:

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INCO NEWS
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Monel Metal Enters Architectural Field in Vancouver

Monel Metal has made its first entry into the architectural field on the British Columbia Coast, first in the form of a store doorway in futuristic design, trimmed with 16 gauge Monel Metal. This doorway is being constructed by the Terminal Sheet Metal Works Ltd., Vancouver.

The second Monel Metal architectural application is in the new home of one of Canada's leading military men, where it is being used for special casement type windows, fabricated by Western Steel Products Ltd.

It is interesting to note that in both of these cases the metal has been chosen on account of its strength and its rust-resisting and easy forming qualities. Monel Metal is remarkably well adapted to this type of service in the damp and salt atmosphere of Vancouver.

Food Service Equipment of Monel Metal

In faraway Australia, Messrs. Finney Isles and Co. of Brisbane, recently completed a very fine Monel Metal installation in their cafe. This installation was made after three years' experience with their Monel Metal soda fountain.

Canadian Rogers Sheet Metal of Winnipeg, for many years fabricators of Monel Metal, are making a fine cafeteria installation in a local drug store, and are also fabricating kitchen equipment for a Manitoba Government Hospital.

Nickel Chromium Iron Cylinder Blocks for French Automobiles

Automobiles Citroen, the largest manufacturer of automobiles in France, have for some time been employing a Nickel Chromium Iron mixture for their cylinder block castings

More Monel Metal Sink Installations

The kitchen of the new Jean d'Arc Hospital, Montreal, is being equipped with custom-built Monel Metal Sinks fabricated and installed by Eastern Steel Products Ltd.

The Geo. R. Prowse Range Co. Ltd., have just completed a custom built Monel Metal Sink for installation in the new Toll Building of the Bell Telephone Co., Montreal. The order for this sink was placed through John Tweddle Ltd., plumbers, of that city. This custom built Monel Metal Sink is an addition to the old Monel Metal equipment removed from the previous Toll Building, and is another indication of the favor in which Monel Metal stands after long experience with its use. The Bell Telephone Company recently equipped their new cafeteria in the Beaver Hall Building with Monel Metal.

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ADVERTISING RATES

Single Insertion—$3.65 per inch.
Debenture and Dividend Notices—26c. per agate line.
Contract rates upon request.

SUBSCRIPTION PRICE

Canada, United States, Mexico, British Empire, $5.00 per year; all other countries, $6.00.

Published by
THE MACLEAN PUBLISHING CO., LIMITED
481 University Ave., Toronto 2
MONTREAL, Southam Building, Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor. GT. BRITAIN, London, The MacLean Co. of Great Britain, Ltd., 2, 3 and 4 Cockspur St., London, S.W. 1, E. J. Dodd, Director, Telegraphic address, Atabek, Lesquare, London.

THE FINANCIAL POST BUSINESS YEAR BOOK. Yearly, $2.
THE FINANCIAL POST SURVEY OF CORPORATE SECURITIES. Yearly, $2.
THE FINANCIAL POST SURVEY OF MINES. Yearly, $2.
THE FINANCIAL POST RECORD OF PROSPECTUSES. Half yearly, $7 per volume.
THE FINANCIAL POST CORPORATION SERVICE. $20 monthly. Special prices for selected part service.
DIRECTORY OF CANADIAN DIRECTORS AND OFFICIALS. Yearly, $10.

TORONTO, JUNE 17, 1933

DEFAULT

SEVERAL Canadian corporations and at least one Canadian municipality have refused to pay interest on their debt in United States currency, as required by bond indentures. The City of Calgary tried it not long ago. An important refusal by a corporation was the case of the Maple Leaf Milling Co.

Such action amounts to default thinly disguised. There may be some excuse for refusing to pay in gold since the metal is almost unobtainable in Canada and the United States. But a contract to pay a debt in United States currency is capable of fulfillment without difficulty.

Investors purchased bonds payable in Canada, United States and Great Britain with the definite intention of protecting themselves. They intended to make use of the clause providing for payment in three currencies. The three-payment clause was definitely one of the attractions to shrewd investors. If a Canadian corporation or municipality which has covenanted to pay in any of the three currencies decides to pay only in Canadian dollars, it is defaulting.

There is substantial opinion which believes that bondholders can be successful in legal action against such defaulters.

CENSUS OF MANUFACTURING

PROCRASTINATION is bad for business as it is for an individual. The tempo of modern business demands promptness as an attribute of commercial success.

Many business firms apply this principle in the conduct of their own business but when it comes to matters outside the mere making of dollars and cents they are apt to adopt a careless and dilatory attitude. They feel, for instance, they are too busy to bother about requests for this and that which don't look as if they were going to pay for themselves in cold cash. They excuse themselves by saying they are too busy and they lay the matter aside intending to take it up at some future date.

All too often there comes in this category the requests for information issued at regular intervals by the Dominion Bureau of Statistics. Since 1917, for instance, this excellent federal department under the able leadership of Dr. R. H. Coats, has been compiling an annual census of manufactures which is an invaluable source of information to a great many people in this and other lands. It is an authentic, official record of practical importance to business and its usefulness has been particularly apparent in recent years when the records so compiled have led directly to the establishment of important branch plants in this country. This is but one of many instances which could be cited as indicating direct results accruing from the availability of these statistical records.

One of the most difficult problems with which the Bureau has had to contend is the tendency of Canadian manufacturers to procrastinate in sending in their returns. Not only is the cost of obtaining this information greatly increased by the necessity for extensive follow-up letters and telegrams, but the value of the information is too often diminished by the fact that it is many months or perhaps a year or two late in appearing. Thus figures which have taken much time and effort to prepare, get out-of-date before they are published and instead of being of value to business in regulating production and so forth they are only of value as a matter of record. Not only does this reflect on the bureau itself but it is obviously disappointing to conscientious firms which have sent in their returns immediately and are looking forward to the official data for their industry or group as a whole.

It is now several months since the 1932 census of manufacture forms were dispatched by Ottawa to individual firms throughout the country. These questionnaires represent the results of a long study on the part of both producers and consumers of statistics in co-operation with the most competent technical men of every industry, to secure material which will be of the greatest use to all concerned. Yet despite the best efforts of the Bureau, thousands of these have not yet been returned. The answer lies largely with the executives of each individual company. It takes no longer to fill out the questionnaire this week than it will later in the summer, yet the results to a very great number of people will be far more satisfactory if the work is done now.

"MY LORDS, LADIES . . ."

FROM the background of a successful business stewardship, few commercial institutions in the world can speak with such authority and acumen as the leading British insurance offices. The majority of these world-wide concerns have ridden safely for generations through all manner of commercial ups and downs and have invariably come through with flying colors.

Once a year the chief executives of these institutions use the occasion of their annual meeting to comment on business and financial conditions throughout the world and many prophetic and searching words of business wisdom are assured when the governor or chairman rises with his customary "My lords, ladies and gentlemen . . ."

Particularly noteworthy at the present time are the remarks of F. W. Pascoe Rutter, governor and chairman of the London and Lancashire Insurance Co. at the 71st annual meeting of that company last month. He observed with gratification the current evidences of business improvement but urged a realization that the world is at present going through a revolution—a metamorphosis—and that many new forces have been let loose which are difficult to control; that the end is not in sight and that:

> "If we have reached the bottom of the world trade cycle, the upward movement has not yet really begun; that our government and every government is being driven very hard to adopt this and that expedient to get over the immediate difficulties but that with an over-populated world and every country anxious about its own future, patience and time are essential before we can emerge from the jungle."

Coming nearer home he stressed the significance of the American situation in the world picture urging his British listeners to remember that America's interests were their interests and that the earlier the United States recovered the earlier Great Britain would participate in world recovery. He then said:

> "Their suspension of the gold standard was possibly necessary, and probably expedient, but to interpret it as a reason for a renewal of speculation in the stock markets is only jumping at conclusions. The United States has still a hard road to travel. A really sound return to prosperity must be dependent upon cutting their losses; facing increased economies and, therefore, sacrifices; cancelling or radically reducing their international debts, and lowering their tariffs to enable their remaining debtors to pay in goods or in services."

Specifically this comment was applied to the United States. Broadly speaking it can be applied to Canada and to every individual nation in the world which is not frankly facing the individual responsibility of putting its house in order.

It is no injustice to the high hopes in which the World Conference is being nurtured, to reaffirm with all possible emphasis that failure of Canada, for instance, to balance its budget, or of the United States to frankly face its domestic and international obligations as enumerated by Mr. Rutter, is to negative any accords reached during the next few weeks at London.

For the United States, Mr. Rutter expresses the view that she has obviously outgrown her constitution and he is emphatic in the opinion that until it is revised, it will be difficult for America to exert its full weight in the settlement of the world's affairs which would otherwise be possible.

Fortunately Canada does not suffer under the same constitutional handicaps, which makes it all the more possible for us to make the domestic and international adjustments which Mr. Rutter feels are essential if we, along with other leading nations, are to achieve economic and financial recovery.

RECONSTRUCTION ERA FOR RAILROADS

WHAT is going on in regard to the railroads in the United States is worthy of attention in this country.

First item on the programme for the reconstruction of railways of the United States is provision for a simpler method of reorganizing their financial structures to permit the writing down of excessive capitalization and settlement of excessive bond debt without the expensive process of bankruptcy. In this way, it is hoped that the railways will be given some relief without the wholesale defaults that would place American insurance companies and other large investing institutions in a very hazardous position.

Second step is legislation permitting railways to co-operate; to interchange traffic and gradually to consolidate into a fewer number of much larger units.

But the third step is yet to come. Modern changes in merchandising methods have altered the fundamental business of the rail carriers to a considerable degree. This is the day of smaller and more frequent orders. Development of highway transport has come simultaneously with the hand-to-mouth purchasing era and has benefitted therefrom. But the railways are still geared to twice-a-year, large scale buying methods. Their freight cars are large; their traction units have been growing in size from year to year. Bigger and stronger trains have been the order of the day.

The visit of the Royal Scot, crack train of the London and North Western Railways, will undoubtedly cause many railway men to discuss the problem of whether or not the railways on this continent have not been developing on engineering lines in the opposite direction from that which their customers desire. Perhaps the next generation will see smaller, faster and more frequent freight and express trains in operation to provide keener competition with highway transport and utilizing the facilities of the highways as a part of the transportation service of the railways.

In any event, three revolutions are simultaneously taking place in rail transportation; one in regard to finances, one in regard to management and competition and one in regard to the character of service.

The degree to which they successfully negotiate the problems involved in these three revolutionary movements will determine the future prosperity of the great railway companies not only in the United States but of Canada.

Incidentally, should the railways be convinced of the necessity of effecting an engineering transformation in their rolling stock and traction equipment, the work given to industrial plants might provide an adequate substitute for the railway construction eras, the initial automobile boom and similar great industrial epochs that supported prosperity in the past.

QUITE UNOFFICIAL

CANADIANS who take an interest in such things must still be somewhat puzzled as to whether or not the Hon. C. H. Cahan, Secretary of State, expresses the viewpoint of the Canadian Government on the Sino-Japanese controversy.

On December 8th last, Mr. Cahan made a speech at the League of Nations Assembly, which was rather inadequately reported in the press. These reports seemed to indicate that Mr. Cahan on behalf of Canada criticized the position of the Chinese, chided them for their political instability and supported Japan's position in Manchuria. Naturally, there was a certain amount of resentment in China. In Canada, the chief comment, based on the fragmentary first dispatches, was that while the British representatives at Geneva were carefully avoiding committing themselves, the Canadian representative jumped in and threw Canada's lot in with Japan.

Because of controversy in Canada, The Financial Post undertook, on April 8th, to publish Mr. Cahan's speech verbatim, the only time it has been given in full to the Canadian people. In this address, Mr. Cahan prefaced his remarks by stating that the opinions he would express were more or less personal, although he felt that they were opinions in which the Government would concur. But having indicated that he was giving his personal opinion he made several references in his address that gave to his remarks a much more official character. Such phrases were, for example: "My Government would respectfully suggest that" and "It appears to my Government very desirable." Such expressions largely negatived Mr. Cahan's initial warning that he was speaking for himself and not for Canada.

The other day, in the House of Commons, Mr. Cahan made a lengthy and scholarly exposition of the Sino-Japanese dispute and explained why he made his address and what he meant by it. His chief point was that the general public had an inadequate understanding of the contents of the Lytton report and was wrong in assuming that it was entirely unfriendly to the Japanese position.

Commenting on Mr. Cahan's statement, the Rt. Hon. Mackenzie King questioned the propriety of such a statement being made at this particular time and he called attention to the fact that the British Parliament had carefully avoided a discussion of this Sino-Japanese situation and that parliaments of most of the countries of Europe as well as the Congress of the United States had done the same. For that reason, he refused to accept Mr. Cahan's statement as official and he also refused to debate it. His stand was supported by Sir George Perley, acting Prime Minister, and Mr. Cahan finally stated that he was not pretending to make an official statement for the Government.

It is a little unfortunate that Mr. Cahan's address at Geneva went around the world as a Canadian criticism of China. It is not certain that his address in the House of Commons will overtake his former address. While it is now clear that the Government of Canada is not to be regarded as having officially declared any view on the matter, it is difficult to make the world believe that a Minister of His Majesty's government can express personal views in an official meeting on a matter of delicate international importance and expect to have his views regarded as entirely personal.

Mr. Cahan's two addresses were carefully prepared as to facts and reference and are useful contributions to the discussion. They may well be read by anyone who has not had the time to read in full the Lytton report and other documents relating to the controversy but they should not have been delivered either at the official Assembly of the League of Nations or on the floor of the House of Commons. If Mr. Cahan wanted to express his personal views he should have done so in some sort of public meeting where he had no official standing

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Ontario farmers are wishing "bon voyage" to Agricultural Sales Manager T. L. Kennedy, M.P., on his mission to improve the province's sales organization in U. K. Ontario has had few agricultural ministers who have done so much to put real money into farmers' pockets by sound business methods rather than the artificial stimulus of government aid.

POST-scripts

TO WHET the empire appetite of epicurean readers of The Post we reprint herewith details of the special Empire Day luncheon given last month at the Junior Carlton Club, Pall Mall, London. The luncheon was organized as a demonstration of Imperial goodwill and only produce of the Empire was served.

The menu contained 187 ingredients from 45 Dominions and colonies. Here are the chief items, in case you would like to try it yourself some day:

The soups included North Borneo bird's nest, Straits Settlements shark's fin, Fiji cucumber, and Ascension Islands green turtle. Among the fish dishes were Irish salmon, Dover sole, grilled mackerel with Uganda chilly sauce, whitebait with Kelantan Malayan pepper, halibut with Bombay chutney sauce, and fried whiting with New Zealand melted butter. Roast Welsh milk lamb, Surrey fowl and Ulster bacon, braised sweetbread and Jersey peas, liver and Canadian bacon, and Indian mutton curry were among the hot dishes, while the cold sidetable included a baron of Scotch beef, New Zealand lamb, Gambia groundnut rissoles, English veal, and wild duck and Windward Islands Guava jelly. Among the sweets were Malta figs and cream, Turk's Island tamarinds, Rhodesian buckwheat cakes and maple syrup, Mauritius pineapple, Canadian apple pie, Kenya coffee mould, and Banbury pancakes.

A feature of the wine list, also entirely Imperial was mead, the old national drink of Britain, made from an Elizabean recipe. There was hock from South Africa, burgundy from Australia, brandy from Cyprus, and liqueur whisky from Scotland. A supply of cigars was received from Jamaica, and for those who preferred a lighter smoke there were cigarettes from Rhodesia and Cyprus.

A WEEK or so ago, we published in this column the little "poem" by Frank Carrel, of the Quebec Chronicle-Telegraph, which included The Financial Post as one of the papers allied with Mr. Carrel's journal in a movement toward greater honesty and straightforwardness in our capitalistic system.

Now comes a letter from J. E. Masters, sec'y-treas., Lounsbury Co., Moncton, N.B., with the request that we add to the list the following names: F. R. Sumner, president, Sumner Co., Ltd., one of the largest hardware concerns in the Maritime Provinces; Capt. R. V. Bennett, brother of Premier Bennett; J. L. Macdonald, manager of the Atlantic Underwear Ltd.; C. H. Blakney, mayor of Moncton; C. C. Hayward, manager, and Hon. C. W. Robinson, president, respectively, of the Lounsbury Co., and the board of directors of the same company, which includes A. E. McSweeney, A. J. Tingley, W. R. Turnbull, J. Fred Edgett, E. R. Macdonald, K.C., A. P. Paterson, A. C. Chapman, Hon. F. B. Black and O. L. Barbour.

Yes, that's a good list, Mr. Masters. All we ask is that equally zealous exponents of the capitalistic system in Canada's 4,000 other municipalities are not similarly inspired to write to us. If they did, we would probably have to publish a "Postscripts" edition of The Post.

New Books

Quebec Statistical Year Book 1932

The English edition of the Quebec Statistical Year Book for 1932, just issued, forms a valuable source of official information on provincial matters.

Among the chief additions in the 1932 book are statistics of the preliminary reports on the Dominion census of 1931 and a survey of agricultural production and wealth. The chapter on finance includes a new article describing the main functions of the Quebec Municipal Commission. Tourist trade in the province is covered for the first time in the 1932 edition.

The book is divided into twelve chapters: chronology physiography, climatology, population, education, administration, finances, production, communication, and transportation, economic activity, organized labor and insurance.

G. Lemonde has edited the book which is compiled from information collected by the Quebec Bureau of Statistics, under G. E. Marquis.

Copies may be obtained free by public and school libraries, newspapers, industrial and financial concerns, and others who are called upon to serve the public interest, from the Bureau of Statistics, Parliament Buildings, Quebec.

Other Peoples' Views

United Church and Social Services

Regina Leader Post—The Saskatchewan conference of the United Church has adopted a fairly "advanced" platform of social reform. Among a series of requests to be forwarded to governmental authorities is one for socialization of one important phase of Canadian life—the medical profession. The resolution calls for "the socialization of the medical services of the nation."

Here is a suggested change that already has invited considerable attention. Similar action was called for in a recent article in a well-known Canadian magazine, seemingly penned by a doctor himself, and which article has invited not a little commendation.

Other points in the United Church resolution call for "the immediate introduction of some form of unemployment, sickness and invalid insurance"; creation by the Federal Government of a national economic research and planning board; discovery of a way by which primary producers may be guaranteed a proper reward for their labor and investment, and that manual workers be released from arduous labor by old age pensions at the age of 65 instead of 70.

The church lives pretty close to the people. It knows its material as well as its spiritual needs. It should have its finger on the economic pulse of the people. It should know the people's thoughts, their outlook, their requirements. It is not difficult, of course, to suggest changes. To bring them about in workable form is the problem.

At the same time, it is to be remembered that such batches of requests as have just been put forward in this province mean the expenditure of more public money, and under society as we have it organized today all such must come out of the people.

One might take, for instance, the suggestion that the primary producers be guaranteed a proper reward for their labor and investment. This, of course, is the key to the situation. Make this plank effective and it is quite probable that the other requests lose their potency and their urgency. Prosperous, or self-sustaining primary producers would so improve the economic standing of the whole nation that a lower age for old age pensions and a state medical service might not be necessary.

But who can tell us how to guarantee the primary producer in Canada a proper return for his labor and his investment?

The best minds in the country have applied themselves to the problem and the answer has not been found. There is no easily encompassed answer. A score of major factors affect the problem and each one will have to be dealt with as a separate matter, to be solved only by a change in public thinking and a change in national and international policy.

Red Tape Bars Economy In Offices at Ottawa

Salaries Go on While Inexpensive and Necessary Supplies Come Under Heading of Luxuries and Can Not Be Bought

(Special Correspondence)

OTTAWA. — Balanced budgets sometimes make for unbalanced departments although they do not need to. Amid the slashing of appropriations and the "firing" of Government employees at Ottawa a situation has developed, through lack of decision and promptness in putting changes into effect, which is costing the country a pretty penny.

Early in April an excellent order-in-council was passed enjoining all the departments to spend no money except for absolutely essential purposes, even if the money had been appropriated for them by parliament. It will be recalled that when Finance Minister Rhodes made his budget speech he said that the Government hoped to save $14,000,000 from what was appropriated in the estimates by various cuts in departmental expenditures. The order-in-council above-mentioned was one of the first steps taken to save this $14,000,000. Its first effect, however, was a somewhat paralyzing one on departmental activity.

What Is Essential?

The question at once arose what essential work was and who was to decide. The result was that a great deal of necessary work was held up in various departments. Some civil servants solved the problem by the usual practice in such dilemmas, of doing nothing, secure in the fact that their own pay was going on.

It is understood that in one instance this order-in-council stopped outgoing foreign mail. This cannot be franked, as domestic mail is, and someone questioned whether it was absolutely essential that money should be spent on postage to send out this mail. Letters on Government business were actually allowed to pile up unmailed for some ten days till some one could decide this momentous postage question. Finally, so the story runs a bright brain thought the Post-office Department might be willing to loan the department the necessary stamps to send out the mail, until it could be decided whether it was "essential" to answer foreign correspondence. The Post-office Department was consulted. Yes their credit was good; it would loan the stamps. And forthwith His Majesty's delayed foreign mail from that office was dispatched on its mission.

Blue Prints and Red Tape

In another case a blue print operator was retained while his supply of paper was cut off. He could do nothing but twiddle his thumbs. One business man, wanting a Government blue print, had to go out and buy paper before he could cut through the red tape.

The foolish practice of keeping expensive officials at their desks and then denying them the inexpensive supplies without which they must remain idle has been pursued in several offices.

Cutting down of appropriations in the case of those departments where it is usual to send parties out in the field has caused disorganization and lack of balance in the work. The various survey branches which send men out in the field in summer to get data on which the inside staff works, have in most cases, little or no money this year with which to send out field parties, and the men who ordinarily go afield in summer are sitting comfortably in Ottawa making the best show they can of keeping busy—and, of course, drawing their pay. The fault lies not with them, but with the higher-ups upon whom the planning devolves.

Who Is To Go?

Lack of decision and ordinary business promptitude is seen in dealing with those branches of the service that are to be done away with. Insufficient money has been voted to keep on the present staff of the Topographical Surveys Branch. Some one must be "let out." No one knows who. No one can find out anything about it.

Likewise there has been delay in dealing with the abolition of the National Department Bureau, which has done such good work in bringing both capital and tourists into Canada. Some employees of this branch are being discharged and some absorbed into other departments. But no one knows who is to be taken and who is to be left. Every one is anxious to have the suspense over with.

Cannot Be Re-hired

Scores of able men in the prime of life who have been discharged by the Government are walking about Ottawa not knowing what to do with themselves. They draw superannuation allowances of from a few hundred to several thousand dollars a year each for life from the country. For this the Government gets no return, yet it is, at the same time, taking on new employees in the Radio Commission and other bodies. The explanation is that these discharged civil servants (many of them university graduates) could not do the work required by the Radio Commission, but to this the sophisticated Ottawan replies by an expressive shrug of the shoulders and by a thrust of the tongue in his cheek.

Passing The Buck

Editor, The Financial Post,

The editorial in your issue of May 27 is well headed "Passing the Buck." The words exactly describe what has been done by our national leaders since the present crisis started in 1929. The resolution of the Moose Jaw Board of Trade which prompted your editorial was passed with a view to getting a national policy dealing with a national problem. Instead of advocating, as you contend, increased expenditure of public money, the resolution calls for a halt to the squandering of public funds which is now going on in this and other communities in Canada in the care of the unemployed owing to the refusal of those in authority to recognize that the problem is national, not local. The Board of Trade resolution advocates:

(1). That the unemployed should be cared for, not by handing out doles and maintained in idleness those who are so unfortunate as to be out of work, but by the provision of work on public undertakings.

(2). That unemployment is a national problem and the burden of caring for it should be financed in a national way.

Money Spent in Moose Jaw

The facts, as far as Moose Jaw is concerned, that led to the passing of the resolution are that the following sums have been paid out in the administration of relief in this community of approximately 21,000 people during the first four months of this year:

January	$38,673.60
February	36,310.35
March	37,945.05
April	30,197.25

or a total during the period of $143,126.25. This is at the rate of over $400,000 a year. The number of persons being maintained by the expenditure of this money for the respective months were:

January	4,631
February	4,741
March	4,850
April	4,784

In return for this expenditure of money neither the municipality nor the state received anything, because the system now in vogue is one of giving direct relief as it is called.

Get Something Back

The position which the Board of Trade assumed was that the public should receive something for the expenditure of its money. We did not advocate spending more money, but advocated getting something for the money which we must spend. The existing system is, I contend, vicious from the public's point of view, and it is likewise vicious from the point of view of those who are forced to receive aid from it. Their morale as citizens and as producers is being destroyed, and a continuation of it is bound to lead to serious trouble.

Dealing with the second phase of the resolution, the City of Moose Jaw always cared for its destitute as long as the situation was purely local without complaint and without appealing for outside assistance. The existing situation is due: first, to national or international paralysis of business; second, to four successive crop failures resulting from drought, which should be regarded as a national calamity. What is the effect of leaving this national problem to municipal handling? The municipalities are limited in their sources of revenue. Municipalities in Saskatchewan derive by far the greater part of their revenue from taxation of real estate. Real estate is, therefore, being subjected to a load which it cannot continue to bear. This is evidenced in our community by the fact that last year only 51 per cent of our current taxes were collected during the year and this was due to absolute inability on the part of property owners to pay. In the year 1928, the last year of a good crop before the depression started, the city collected 81.16 per cent of its current taxes. Since then there has been a progressive decline in the amount of taxes collected. The effect of a continuation of placing even one-third of the expense of relief upon the municipalities is to bankrupt them. It is bound to result in defaulting on municipal bond issues.

Capable Management

It may be said that Moose Jaw's situation in regard to tax collection is due to mismanagement. No one will contend that mistakes have not been made, but the position of the City of Moose Jaw rather points to the fact that its affairs have been handled as capably as the average in Canada, whether public or private. Reference to the last financial statement of the City of Moose Jaw shows that it had a gross debenture debt of $6,532,000 and that it had on hand in sinking funds and trust funds $4,872,000. This would surely indicate that its affairs had been reasonably well managed.

Nevertheless, the present heavy load cannot be carried, and there are many municipalities in a much worse position.

Surely it is time that "Passing the Buck" stopped and that a national policy was evolved which will save our municipalities from bankruptcy, give the public something for the immense sums now being squandered on direct relief, and maintain the worker as a useful citizen.

LEROY JOHNSON,
President, Moose Jaw Board of Trade.
Moose Jaw, Sask.

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33-4

The Week in Business

Inflation's Influence

THE question as to how much of the current business improvement is due to influence of the United States inflationary scheme and to seasonal influences and how much, if any, is due to a natural upturn brought about by other and sounder causes, has exercised the minds of business men ever since the improvement became evident. It is obviously impossible to place one's finger on any specific instance and say that this has resulted entirely from inflation in United States or that from a natural improvement, but there is some evidence that at least a part of the current uptrend is quite divorced from any action which has been taken by President Roosevelt.

In the current monthly commercial letter of the Canadian Bank of Commerce, it is pointed out that there were evidences of improvement in the latter part of March, before Mr. Roosevelt's inflationary measures had had a chance to take effect and also that the upturn in commodity prices started as far back as February. The bank letter states, in part, as follows:

"With complete returns now available it is clear that the incipient upturn in business activity to which we referred last month and which continued throughout May was of such extent as to offset most, if not all, of the ground lost in the first quarter of the current year, when production, distribution and trade as a whole declined about 15 per cent below the corresponding period of 1932. It is noteworthy, also, that this upturn does not owe its origin entirely to seasonal influences, or to the inflationary plans in the United States. Last year there was practically a progressive slump in general business ending in a sharp drop in April, which was followed by a marked rise in May. This year, however, a slight improvement was already noticeable in the latter part of March, when monetary conditions in the United States were uncertain, and Mr. Roosevelt's monetary programme could, at best, have been only in the embryonic stage. The clearest single clue to this improvement is the rise in the general commodity price level which commenced in February."

* * *

Grain Movement Heavy

FAILURE of car loadings to reflect any increase in the movement of goods when improved business had been definitely established, has been one of the few pessimistic indications of the past two months. In the week ended June 3, however, the total figures make a good comeback after three successive reductions. The increase would be more impressive, however, if it were not so largely affected by the jump in grain loadings from 3,278 to 7,297 cars. Loadings of pulpwood, pulp and paper and other forest products are higher than in the corresponding week a year ago.

Increase in the dollar value of *retail* sales of certain groups of stores in April compared with the same month a year ago is significant. Candy, clothing and dyers and cleaners recorded higher dollar totals than in April, 1932. The general index number, which is not adjusted for changes in dollar value or for seasonal trend, made a gain of 13.7 per cent from March, while a year ago the gain between March and April was only 7.7 per cent.

NOVA SCOTIA COD APRIL CATCH GAINS

Sea Fish Catch of Dominion Heavier Than a Year Ago

Despite heavier sea fish catches in the Eastern provinces in April compared with April a year ago, only in New Brunswick was the landed value greater. In British Columbia both the weight and value of the catch were slightly less than in April, 1932.

Canada's total catch of sea fish and shellfish in April was some 37,500 cwts. above last year's record, the Nova Scotia cod catch of 64,680 cwts. compared with 28,280 cwts. a year ago being chiefly responsible. Landed value to fishermen was $461,300 compared with $612,610. The chief reduction in value occurred on the Atlantic coast due chiefly to a lessened lobster catch.

April catch increased in Nova Scotia and New Brunswick, fell off slightly in British Columbia, and also decreased in Prince Edward Island.

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1933	1932	Cumulative Jan. 1 to date 1933	1932
Transportation—				
Car loadings (June 3)	38,914	42,614	744,382	912,850
C. P. R. gross earn. (June 7)	$ 2,050,000	$ 2,223,000	$ 40,493,000	$ 47,551,000
C. N. R gross earn. (June 7)	$ 2,804,154	$ 2,950,215	$ 52,346,427	$ 63,462,864
	Monthly			
C. P. R. net earn. (Apr.)	$ 538,465	$ 918,483	$ 1,835,944	$ 2,935,898
C. P. R. net earn. (Apr.)	$ ‡134,839	$ 782,977	$ ‡4,158,082	$ ‡546,574
Iron and Steel—				
Pig iron, tons (Apr.)	nil	16,898	35,353	55,699
Steel, tons (Apr.)	11,384	36,030	75,736	183,131
Automobiles prod., No. (Apr.)	8,255	6,810	21,543	24,336
Auto Vehicles—				
Passenger, sales, No. (Apr.)	5,494	5,421	13,023	14,230
Trucks & buses, sales, No. (April)	593	1,073	1,388	2,661
Auto. exports, No. (Apr.) ..	1,268	355	3,686	1,943
Construction—				
Building permits (Apr.)	$ 1,551,693	$ 4,370,863	$ 4,568,032	$ 13,823,873
Contracts (May)	$ 6,514,100	$ 14,186,800	$ 24,826,100	$ 2,606,500
Newsprint—				
Production, tons (Apr.)	147,759	176,660	550,986	666,990
Exports, tons (Apr.)	113,188	138,785	486,368	625,793
Sugar—				
Imports, raw, lbs. (Apr.) ...	9,739,900	35,447,400	92,067,100	169,680,300
Melt. & ship., lbs.*	46,463,194	64,566,796	185,859,911	207,548,836
Manufactured, lbs.*	41,167,462	58,751,252	190,704,556	200,078,899
Flour—				
Production, bbls. (Apr.)	1,013,486	993,385	3,722,279	3,740,470
Wheat flour exp., bbls. (Apr)	234,387	255,390	1,455,075	1,339,488
Other Industrial Indices—				
Lumbering: Plank & board exports, mill ft (Apr.) ...	33.74	42.52	172.09	234.36
Boots and shoes, pr. (Apr.)	1,442,020	1,523,492	5,103,681	5,914,305
Petroleum, imp. crude, gal. (April)	36,187,424	38,565,064	58,164,621	227,511,589
Cotton, imp., raw, lbs. (April)	4,050,000	6,230,000	25,215,000	33,154,000
Rubber, raw, imp. lbs. (Apr.)	1,243,621	3,584,609	9,033,478	17,151,892
Coal, imports, tons (Apr.) ..	431,799	542,398	1,871,185	2,392,249
Gasoline sales (Mar.)	26,416,000	26,913,000	76,805,000	79,140,000
Trade—				
Imports (April)	$ 20,457,294	$ 29,794,296	$ 101,263,164	$ 156,943,094
Exports, (April)	$ 20,011,652	$ 26,927,758	$ 114,549,827	$ 141,474,817
Wheat exports, bus. (Apr.) ..	4,460,214	7,513,289	44,905,057	36,804,632
Labor—				
Employment Index (Apr.) ..	76.0	87.5	......	......
Electric Power—Output—				
M. Kilowatt hours (Apr.) ...	1,295,081	1,334,323	5,362,333	5,474,624
Finance—				
Failures, No. (Feb.)	214	221	427	459
Failures, Liabilities (Feb.) ..	$ 3,947,000	$ 3,650,728	$ 7,996,929	$ 7,711,376
Bank debits† (Apr.)	$ 1,876,758	$ 2,073,906	$ 7,563,229	$ 8,159,024
Bond sales (May)	$ 3,573,849	$ 25,675,820	$ 38,516,725	$ 140,906,040
Insurance sales (Apr.)	$ 29,770,000	$ 33,629,000	$ 116,223,000	$ 146,572,000
Automobile Financing:				
Used cars (Apr.)	$ 983,100	$ 1,412,269	$ 3,018,116	$ 3,990,629
New cars (Apr.)	$ 1,068,341	$ 1,587,293	$ 2,976,064	$ 4,008,145

*Four weeks period, Apr. 29 to May 20. †(000's omitted). ‡Deficit.

Business Conditions in Canada

H. R. MACMILLAN LUMBER EXPORTER ATTACKS TAXATION

Tells Pacific Science Congress Forced Liquidation Has Been Result

From Our Own Correspondent

VANCOUVER.—How high taxation has forced liquidation of valuable timber assets and prevented gradual and stable development of the lumber industry was described to the Pacific Science Congress here by H. R. MacMillan, one of British Columbia's best informed authorities on forest problems. He is a former chief forester and now a leading sawmill operator and lumber exporter.

"The ruling system of taxation has created an anomalous situation as it is forcing the owners to cut their timber as soon as possible to protect their investment from taxation rather than to hold it," said Mr. MacMillan. "The government applies the same taxations to timber as are applied to houses and other property, failing to take cognizance of the fact that timber is a crop that matures only once in two or three generations. Such a situation is absolutely unsound.

Taxation Increasing

"Timber lands are most conspicuous and therefore the burden of taxation has fallen very heavily upon them; and as quantities of timber in certain areas have decreased taxation on the remaining timber has increased to meet the demands of social services and generally increasing government expenses."

Mr. MacMillan pointed out that these conditions did not apply to Canadian provinces alone but to the Pacific northwest states as well, where timber taxation ran as high as 6.7 cents to eight cents per thousand a year in some cases.

Mr. MacMillan is not one of those who anticipate a period of higher lumber prices. The price of lumber now, he pointed out, is as low as it was seventy years ago, and it was only ten to twenty years ago that acquiring a tract of standing timber was considered a sure road to wealth.

Price Rise Unlikely

"With so many other materials coming into use for building purposes and with our visible supply of timber, I cannot see how there will be a rise in the price to balance our wage scale and high interest rates so that it will be possible for the state to continue any but the most rudimentary forestry work such as protection from fire," said Mr. MacMillan.

"Timber is essentially a long-term investment and should be regarded as such by the taxing authorities. For 200 years our forest operations have been frontier industries. It has been a wasting asset, and now we have reached our last frontier. Upon the basis of present prices and cost of production we have 30 or 40 years of virgin timber left on the Pacific coast. If these resources are properly safeguarded there need be no fear of a timber famine."

Business Briefs

Car Loadings for the week ended June 3 totalled 38,914 cars, a big increase from the 32,361 recorded in the previous week. While part of the increase was due to the fact that previous week contained a holiday, the adjusted index number gained sharply from 57.71 to 61.63.

Wheat Stocks reported on June 2 totalled 201,040,611 bu., a decline of 2,383,372 bu. from the previous week. A year ago at the same date stocks amounted to 144,574,198 bu.

Wheat Exports during the week ended June 2 amounted to 5,108,504 bu. compared with 4,671,172 bu. in the previous week and 5,173,206 bu. in the corresponding week a year ago.

Failures under the Bankruptcy Act for the week ended June 3 numbered 25 compared with 32 in the corresponding week a year ago. For the year to June 3 failures have numbered 801, a decrease of 119 or 13 per cent from 1932.

Editor's Note: Commencing this week, and in future, figures for grain stocks and grain exports will be found on the grain page. By making this change The Financial Post is able to publish these figures for the period one week nearer to the date of publication.

No landings were reported by Quebec sea fishermen, but, of course, Quebec catch is never large in April, and that is true also in the case of Prince Edward Island.

Refrigerator Industry Looks For Improvement

Surplus Stocks Generally Cleaned Up But Current Demand Remains Light—Increased Prices Forecast as Metal Prices Rise

Domestic electric refrigerator manufacturers are moving very warily this year, maintaining the lowest possible stocks and making a strong effort to gauge the potential market and regulate their production schedules accordingly, The Financial Post learned this week in conversation with representatives of the Canadian industry. Repetition of the mistakes made in 1932, when most manufacturers were caught at the end of the season with excessive stocks, will be avoided if at all possible.

Distress merchandise in the form of excess stocks of the larger companies and stocks of some small companies which were forced out of business disorganized the market in 1932. Actually, little volume came from the companies which failed as in most cases their product was not efficient and stores would not handle it; the larger companies, however, had a fair volume of excess merchandise at the close of the 1932 season and this has to be worked off this season.

Financing Difficulties

Demise of the smaller companies which sprang up in the industry was caused by one or two reasons. These companies added electric refrigerators to their regular lines with little knowledge of the problems involved. Manufacturing costs were higher than anticipated, sales were affected by extensive competition; profit margins vanished. Financing also caused difficulties; as the number of persons who failed to complete their payments increased, finance companies increased their interest charges and in addition required that a proportion of the dealer's profit be left on deposit until payments were completed. Many of the larger companies have managed to surmount this difficulty by handling the financing themselves but the smaller concerns were unable to do this.

Largest of the smaller companies to go out of the business was Hayes Wheel which threw about 1,000 units on the market when it closed down in the latter part of 1932.

As far as can be ascertained from retailers and manufacturers most of the distress merchandise has now been disposed of. Dealers are still showing some 1932 models but the price reductions of from 10 to 15 per cent are not large enough to disorganize the market and eliminate the possibility of selling 1933 products.

Current Demand

Retail volume this year is ahead of 1932, according to reports. In addition, there is a feeling in the trade, which would appear to be justifiable, that the purchase of an electric refrigerator is at or near the top of the list in many households and that the purchase will be made just as soon as income shows signs of returning to higher levels. Present prices are below those of a year ago but manufacturers at present are said to be considering a general increase owing to the higher prices of the basic commodities used in manufacture.

Despite the lower prices, two of Toronto's largest retailers told The Financial Post that not only was volume greater than a year ago but the dollar value was also higher. Both looked for an even greater increase during the next three months, the active season for sales, particularly if there are any extended spells of hot weather, one retailer stating that the increase in volume of sales following or during a hot spell was remarkable.

Large Potential Market

Some idea of the potential market for electric refrigerators can be gauged from a comparison of production of this product and of radios. While it is not suggested that the possible sale of refrigerators at present even approximate that of radio, the figures at least show the number of homes equipped with these two electric inventions. Since the industry commenced in Canada about eight years ago only about 30,000 units have been produced for the domestic market and imports have been less than 5,000. Recent estimates place the number of radios in use in Canada at approximately 800,000.

Five manufacturers dominated the domestic refrigeration field in Canada in 1932, two of them primarily engaged in the manufacture of refrigeration equipment, two of them making all types of electric appliances and one producing radios and electric clocks in addition to refrigerators. One other company, Service Stations, bids fair to become a factor in the 1933 market. A few other smaller companies are left, almost without exception subsidiaries of United States concerns and merely assembling plants in Canada, but they do not figure to any extent in the market.

Six Large Producers

Frigidaire and Kelvinator, the original introducers of electric refrigeration to Canada and subsidiaries of United States companies are among the strongest in the field and the two which concentrate on this product. Canadian Westinghouse and Canadian General Electric branched out into electric refrigeration, the former only two years ago and the latter a few years previous but their chief business still remains in commercial electric motor installation. Consolidated Industries, when it was formed, took over the Norge patents and produce this make along with DeForest radios and Hammond clocks.

Service Stations is the important addition to the list of manufacturers for 1933. Last year this company started production on the "Hostess" refrigerator and has plans to produce a large number of units this year. A retail organization is being built up and it is stated that the company expect to produce about 15 per cent of the total Canadian output in 1933.

NEW BRUNSWICK LUMBER TRADE UP

Larger Exports to United Kingdom Expected This Year

From Our Own Correspondent

MONTREAL.—Lumber shipments from the Maritime provinces to Great Britain this month and July will total from 40,000,000 to 50,000,000 ft., according to an estimate prepared by W. E. Golding, prominent lumber export shipper of Saint John, who recently returned from a trip to England made in the interests of Eastern Canadian lumbermen.

Indications point to a revival of activity in New Brunswick lumber industry, according to a statement issued by Premier L. P. D. Tilley. Stocks on hand of long lumber are pretty well disposed of and the prospects for a large winter cut are exceedingly good. Fraser Companies have reopened their mills at Victoria Mills, Quisipis and Athol.

Seek More Pulpwood

The New Brunswick pulpwood industry also is beginning to look up, a further contract having been signed for a cut of 25,000 cords in the Miramichi and Gloucester Co. areas.

The increasing building and construction activity, depleting stocks, and improvement in the exchange situation, the British embargo on Russian lumber, and definite price increases were given as factors entering into the present upward trend in the lumbering industry.

Commodity Prices

	Week ending June 10	Previous week	Same week last yr.
Cattle (cwt.) ..	‡$5.50	$5.50	$7.25
Copper, lb.	.08	.08	.05½
Cotton, lb.	.0935	.0910	.0505
Rubber, lb.	.0643	.0636	.0264
Sugar, raw, lb. .	.0346	.0330	.0265
Silk, lb.	2.35	1.75	1.27½
Wheat (Man.) bu.	.64	.63¾	.55½
Hides, lb.	.12½	.12	.04¼
Coffee, lb.	.07¾	.07¾	.08¾

Weekly Indices

N. Y. Annalist‡	92.7	92.7	87.4
Fishers'	♦62.7	62.1	†62.0
N. Y. Journal of Comm.	61.2	60.3	56.0
Crumps (Brit.)*	62.7	62.1	†62.4

†Average 1932.
‡Week to June 6.
*Week to June 10.
♦June 10.
§June 8.

Monthly Indices

	Latest w'sale	Prev. month	Same month last year
Canada (D.B.S.) (May)	66.9	65.4	67.4
Retail (May)	77.6	78.6	81.3
U. S. Labor (Apr.)	60.4	60.2	65.5
Gt. Brit. (Apr.) .	65.6	65.9	69.1

‡ Basis of price quotations is as follows: cattle — steers, good, over 1,050 lbs., top price. Toronto; copper—electrolytic, New York; silk—Japanese, 13-15, New York; sugar—96 degree centrifugal c/f New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

Retail Sales Value Indices Gain Sharply

Increase in the general index of retail sales in April over March of 13.7 per cent compared with an increase in 1932 of only 7.7 per cent is the feature of the report on retail sales compiled monthly by the Dominion Bureau of Statistics. This index is not adjusted for seasonal trend or price changes so that it is not exactly comparable with 1932, but the April, 1933, index of 83.8 compares very favorably with the April, 1932, index of 92.3, when the reduction in retail prices is considered.

Sales of candy, clothing and dyers and cleaners were actually higher in April than in the corresponding month of the previous year. Seven of the eleven groups gained over March, the four to decline being drugs, groceries and meats, music and radio and restaurants, these losses being seasonal. Indices by groups are as follows:

Index Numbers of Retail Sales
(Jan., 1929 equals 100)

	April, 1933	March, 1933	April, 1932
Boots and shoes ...	77.6	51.0	87.3
Candy	87.2	55.9	73.6
Clothing	110.0	68.1	101.5
Drugs	71.9	76.9	87.4
Dyers & cleaners ..	128.7	73.4	127.8
Furniture	45.6	42.5	53.6
Gen. & depart.	93.0	76.2	102.8
Groceries & meats..	73.0	78.6	84.5
Hardware	75.8	58.3	93.9
Music & radio	16.5	20.1	28.6
Restaurants	56.2	57.2	68.0
General	83.8	72.8	92.3

Nelson Match Plant Busy

Ten sawmills, employing an aggregate of over 200 men, have recently commenced cutting throughout the Nelson district under contract with the W. W. Powell Company of Nelson, to supply 7,500,000 feet of white pine planking. This planking, which is to be used in the manufacture of match blocks, is scheduled for late summer and fall delivery in Nelson.

Germany Asks Favored Treatment

From Our Own Correspondent

Ottawa.—Report is current in Ottawa that Germany is making strong representations to be given the benefits accorded France in the recently concluded Franco-Canadian trade treaty.

Germany has no most-favored-nation treaty with Canada, but contends that the recent modus vivendi she concluded with Canada whereby she gives her conventional tariff for the Canadian intermediate tariff was made in a most-favored-nation spirit and that she should be treated as well as France. The Canadian Government does not concur in this.

Germany's chief concern is said to be over textiles and toys and games.

LUMBER, BUILDING REMAIN VERY QUIET

Other Trade Lines Maintain General Improvement Report States

Weekly trade report of the Canadian Credit Men's Trust Association, for the week ending June 10, is as follows:

Halifax — Very little change in trade conditions since last report, possibly a slight improvement in retail. Collections continue fair to slow.

Saint John—Slight strengthening continues in wholesale and retail trade. Collections continue slow but tending toward improvement.

Montreal—Wholesale groceries in very fair demand; dry goods and clothing lines moving somewhat better; ladies' wear fair only; boots and shoes fair; building trades very quiet. Retail city and country merchants report a moderately busy week.

Toronto—Wholesale houses in all lines of trade report improvement continues. Merchants experiencing better consumer buying, and with reduced stocks have been unable to meet the demand. Supply houses have been working overtime filling orders. All wearing apparel, men's and ladies—busy. Lumber prices advanced but the trade remains quiet. Building, except for repairs and alterations, slack. Textile industry good; confectionery, good; automotive, new and used cars, and accessories, fair to good; hardware and paints, good. Collections fair to slow.

Winnipeg — Manufacturing concerns very busy. Wholesale groceries report a very fair volume; other lines showing a slight improvement, particularly in summer apparel. Retail trade for the week reported as only fair, but slightly better toward the end of the week. Collections fair.

Regina—Wholesale grocery lines fair, averaging about the same as for same period last year. Dry goods fair; hardware showing a slight increase over last year's business. Retail merchants report city trading for the week as fairly quiet; country trade quiet.

Moose Jaw — Wholesalers report boots and shoes fairly good; groceries and hardware showing some improvement; retail groceries fairly good; retail hardware showing improvement; all lines moving more freely than for some time. Collections fair.

Saskatoon — Wholesale groceries continue in fair demand. Hardware fair. Other lines report very little change over previous week. Retail trade showing slight improvement over last week. Collections fair.

Calgary — Wholesale and retail groceries showing very fair volume. Most other lines, while showing slight signs of improvement, are still inclined to be moving out slowly. Country business difficult to obtain on account of lack of cash in farmers' hands. Collections still quite difficult to make.

Edmonton — Volume of business holding fairly steady. Automotive trade report noticeable increase in business recently. Current collections prompt; old outstandings inactive.

Vancouver—Reported stimulus to business during the past few weeks still holding up and in some quarters improving steadily. Manufacturers report conditions as being very fair, while retail trade appears to be very satisfied with volume of sales. Opening of lumber mills and logging camps, together with the activity in the mining industry, has relieved the pressure of unemployed to some degree, although there is still a great deal of distress.

ONLY NOVA SCOTIA HAS MORE FAILURES

Reduction of 112 Recorded in Five Months' Dominion Total

Only in Nova Scotia do failures this year to date number more than in the corresponding period of a year ago, according to information based on Bankruptcy Act returns published in The Canada Gazette. In Canada as a whole failures in the period from January 1 to May 27 numbered 768, a decrease of 112 or 12.7 per cent from the total for the same period a year ago.

Quebec shows the greatest reduction with 218 failures in the period compared with 270 in 1932. Failures are divided among the provinces as follows:

Failures by Provinces
(Period Jan. 1 to May 27)

	1932	1933	Incr. or Decr.
P. E. I.	7	7	—
N. S.	29	33	+4
N. B.	32	31	—1
P. Q.	270	218	—52
Ont.	362	337	—25
Man.	36	34	—2
Sask.	32	26	—6
Alta.	66	50	—16
B. C.	46	32	—14
	880	768	—112

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Week's Figures Compare Well With Year Ago

April footwear production statistics released during the past week fail to show the anticipated gain over the same month a year ago are also smaller than in the previous month. Recent reports from boot and shoe factories in both Quebec and Ontario, however, indicate that production during May was substantially higher than in April, one factory in Quebec reporting that in its district there was an actual shortage of labor.

Weekly figures show that the rise in wheat prices continues and that wheat movement is being maintained on a par with a year ago. Since the crop year started on August 1, 1932, there has been a big increase in exports. Car loadings jumped under the influence of extremely large loadings of grain.

		Change From prev. period %	Change From prev. year %
Monthly	May, 1933		
W'sale prices, No.	66.9	+ 2.3	— 1.2
	April, 1933		
F'twear prod., prs.	1,442,020	— 6.4	— 5.3
Retail sales, index	83.8	+15.1	— 9.2
	March, 1933		
Gasol'e sales, gal.	26,416,000	+16.5	— 1.3
Weekly *	June, 1933		
Carldgs., No.	38,914	+20.0	— 8.7
Wheat stks., bu.	201,040,611	— 1.2	+39.0
Wheat exp., bu.	5,108,504	+ 9.3	— 1.5
Wheat price †, c.	64.0	+ 3.2	+ 7.6

† No. 1 Northern, Ft. William, Port Arthur base.
* Weeks ended June 3, 2, 2 and 2 respectively.

Start Big Housing Scheme in St. John's, Newfoundland

An extensive housing scheme is now under way at Buck Master's field in the rear of the Prince of Wales College, St. John's, Newfoundland. The project is in the hands of William Dawe & Son who are asking the St. John's City Council to construct a 50-ft. street and lay water and sewerage mains and so forth.

On this street, it is proposed to erect 25 to 30 houses detached and semi-detached. The houses will be sold on the rent-purchase system.

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1866 1933

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Placer Gold Increases

Returns from placer gold workings in British Columbia last year totalled $346,800, or three times the total for 1929—the lowest producing year. The record year was 1863 when yellow metal to the value of $3,913,563 was gleaned.

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Can *you* look forward to a "second honeymoon" with all *your* expenses paid by Life Insurance?

If not, do a little planning now. Put your savings to work for you in Life Insurance. It will be the happiest investment you ever made in your life.

WHAT A BANKER THINKS OF LIFE INSURANCE
"The Life Insurance Companies of Canada have protected their policyholders against risks of death, bankruptcy and distress. All thinking Canadians should feel that in their Life Insurance institutions they have one of the soundest forms of permanent investment."
SIR JOHN AIRD,
President, Canadian Bank of Commerce.

Life Insurance
GUARDIAN OF CANADIAN HOMES
One of a series of messages sponsored by Life Insurance Companies

PRUE COTTONS

Manufacturers of
INDUSTRIAL
and
HOUSEHOLD
Cottons
in Canada
for over
TWENTY-FIVE YEARS

DOMINION
TEXTILE
Company Limited
MONTREAL
TORONTO
WINNIPEG
VANCOUVER

Block of Bulolo Gold Stock Sold in Montreal

From Our Own Correspondent

MONTREAL. — Greenshields and Co., Montreal, have made a public offering of 22,500 shares of Bulolo Gold Dredging Limited. The stock has been sold, the shares selling at $15.25 each.

This company is engaged in recovering gold by dredging from large alluvial deposits in the Bulolo River Valley of the Australian mandated territory of New Guinea.

Profits on production since the commencement of operations on March 21, 1932, until February 22, 1933, totalled $770,000 gold. Based on the actual dredging cost, as demonstrated, the net profits to be obtained from the tested area are estimated in the prospectus at $23,250,000 gold over a period extending until ten years from October 31, 1933.

The shares are listed on the London Stock Exchange, Sydney Stock Exchange and the Montreal Curb

B. C. TORIES IN QUANDARY OVER LEADER

Four Parties Preparing For Mid-Summer Election

UNION PLANS FAIL

Liberals Show United Front, Conservatives Divided Between Tolmie and Stevens—C. C. F. is Small

From Our Own Correspondent

VANCOUVER. — An almost incredible political situation has developed in British Columbia during the past few weeks, and anyone's guess is as good as another's as to how things will eventually work out.

The most interesting feature is the determined effort being made by members of the Tolmie cabinet to "draft" Hon. H. H. Stevens, federal minister of trade and commerce, as leader of the Conservative party in this province. During the minister's visit to the coast strong representations are being made to him.

Election This Summer

An election some time this summer appears to be inevitable, with possibly four parties in the field. The Liberals, headed by T. D. Pattullo, former minister of lands, seem pretty well united and at the moment appear to be the most solidly entrenched, due to the constant bickering among various factions of the Tory group.

W. J. Bowser, veteran former attorney-general who has been out of politics for more than a decade, is campaigning throughout the province with Dugald Donaghy, former Liberal federal member and briefly member of a B. C. Liberal cabinet. They are appealing to the non-partisan electors who clearly have grown in numbers considerably since the last election. Die-hard Conservatives are still hoping to persuade Bowser to join in a sort of combination union ticket with several former followers of Premier Tolmie, but Bowser is obstinate and his friends say that he would not abandon his present plans unless offered party leadership.

Tolmie Group Uncertain

The most uncertain element of all is the Tolmie group itself. Late last fall, Premier Tolmie announced that he would form a union government and call an immediate election. Had he done so he might have saved the day for himself and his party, but he delayed and the union idea, so warmly supported when first proposed, was allowed to cool. Since then, Tolmie has issued numerous statements to the general effect that he was going ahead with reorganization of the cabinet by replacing some of his former ministers with members of different political persuasion. But so far, while he has dropped several ministers, he has brought in only one new man, representing labor. Leading Liberals apparently do not feel disposed to join him. The recent movement within the cabinet to coax Mr. Stevens to enter the provincial arena has naturally led to bad feeling between Tolmie and the pro-Stevens group, and when Tolmie issued an election manifesto without consulting members of his cabinet the breach was further widened.

In addition to the three groups mentioned there is the C.C.F. group, which is expected to win a few seats in some of the rural districts.

CONSOLIDATED BALANCE SHEET OF CANADA PACKERS LIMITED

AS AT 30th MARCH, 1933.

ASSETS

Cash on Hand and in Bank		$ 24,997.75	
Government and Municipal Bonds at Market Value		2,923,465.11	
Call Loan		261,000.00	
Accounts Receivable, less Reserve for Losses		2,233,048.34	
Inventories of Packing House Products, Produce and Supplies, including advance payments on goods purchased, goods in transit and goods on consignment, less advances by consignee		4,045,854.47	
Life Insurance (Cash Surrender Value)		229,355.00	
Bonds of William Davies Company, Inc., and The Harris Abattoir Company Limited, at cost		969,168.83	
Sundry Investments and Mortgages		753,573.55	
Prepaid Expenses		110,433.98	
Sundry Advances, Deposits, Balances Receivable and Advances to Employees for Expenses, etc.		108,386.46	$11,659,283.49
Investment in and Advances to Related Companies, etc.			301,873.56
Cash in hands of Trustees for Bondholders			67,612.01
Land, Buildings, Leasehold, Plant and Equipment (based on appraisals 1919 to 1927)			18,870,909.40
Goodwill			4.00
			$30,899,682.46

LIABILITIES

Companies' Bankers (Secured)		$1,301,597.18	
Accounts Payable and Accrued Charges, including Reserve for Income Tax		971,220.85	
Accrued Bond Interest—			
William Davies Company, Inc., Bonds	$37,525.00		
The Harris Abattoir Co., Ltd., Bonds	50,273.00	87,798.00	
Dividend on Preference Shares for quarter to 30th September, 1931, payable 1st April, 1933		105,563.50	$ 2,466,179.53
Funded Debt:			
Bond Issues of Subsidiary Companies:—			
William Davies Company, Inc.—First Mortgage Sinking Fund 6% 20-Year Bonds due 1942		$1,500,000.00	
The William Davies Company Limited—6% First Mortgage Demand Gold Bond held as collateral to the Bond Issue of William Davies Company, Inc.	$4,000,000.00		
The Harris Abattoir Company Limited—First Mortgage Sinking Fund 6% Bonds due 1947		3,390,900.00	4,890,900.00
Surplus on Appraisals		$5,686,547.59	
Reserve for Depreciation		6,125,847.86	11,812,395.45
Capital Stock:			
Authorized:			
100,000 7% Cumulative Redeemable Preference Shares of $100 each			
200,000 Common Shares—no par value			
Issued and outstanding:			
60,335 Cumulative Preference shares		$6,033,500.00	
200,000 Common Shares—no par value		1,437,667.71	
Surplus Account		4,259,039.77	11,730,207.48
(Note: Preference Dividend in arrears to 30th March, 1933, $10.50 per share, or $632,517.50) (Contingent Liabilities in respect of Paper under Discount and Guarantee $275,500)			
			$30,899,682.46

CONSOLIDATED PROFIT AND LOSS AND SURPLUS ACCOUNT

Balance as at 31st March, 1932	$4,073,621.81
Net Profit for year including Income from Investments and after providing for all Expenses, Bond Interest, Depreciation and Taxes, including additional amount for prior years due to increase in rates, etc.	607,671.96
	$4,681,293.77
Dividend of 7% on Preference Shares for year to 30th September, 1931, consisting of four quarterly dividends of $1.75 each per share, paid on 30th June, 1st October, 31st December, 1932, and payable 1st April, 1933	422,254.00
Balance as at 30th March, 1933	$4,259,039.77

Heads Importers

EDOUARD GARIEPY

Recently elected president of the Canadian Importers Association, Mr. Gariepy is managing director of Granger Frères Ltd., Montreal.

EASTERN STEEL CASH POSITION REMAINS STRONG

Earnings Sharply Reduced — Fail to Cover Depreciation

Sales of Eastern Steel Products Ltd. were down sharply in the year ended November 30, 1932, and net earnings dropped to $37,180 from $90,046. Provision for depreciation of $52,315 and continued payment of preferred and common dividends resulted in a loss of $100,841 for the year which compares with loss of $24,438 in the year preceding. While working capital was reduced and a small bank loan is shown a good ratio of current assets to current liabilities was retained and liquid assets are large.

The income and surplus accounts for the past two years compared as follows:

Consolidated Income and Surplus Account Years Ended Nov. 30

	1932 $	1931 $
Net earnings	37,180	90,046
Less: Depreciation	52,315	51,763
Inc. tax reserve	......	3,490
Net profit	*15,135	34,793
Less appropriations:		
Prior pref divds.	27,706	30,231
Common divds.	58,000	29,000
Surplus for year	*100,841	*24,438
Add: Previous surplus	439,553	579,146
Disc. on stock redeem.	448	355
Less: Com. divds. for prior years	......	87,000
Res. against loans	25,000	25,000
Addit. tax, prior year	700	3,510
Adjusts. affect. prior years	2,796	......
Balance carried for'd.	310,664	439,553

Current assets consist of $2,918 in cash; $338,422 in government and municipal bonds, not exceeding market value; $142,000 in guaranteed investment certificates and $31,425 in loan to a shareholder. Book value of this loan of $116,425 has been reduced by providing reserve of $85,000 to cover decline in market value of collateral. Accounts and bills receivable are down to $133,504 from $348,049 and inventories to $245,457 from $367,165. Current liabilities include a bank loan and overdraft of $46,137; accounts payable and accrued expenses of $69,446 and income tax provision of $796. Working capital position is as follows:

Working Capital

	1932 $	1931 $
Current assets	911,959	1,017,865
Current liabilities	116,378	112,770
Working capital	795,581	905,095
Ratio	7.83—1	9.03—1

Fixed assets are carried at $548,536 after deducting depreciation reserve of $265,482. Reserve for replacements and guarantees is shown at $10,000, down from $25,000 in 1931. There is outstanding $392,800 of preferred stock, 90 shares having been redeemed during the year. Common shares outstanding remain at $58,000, carried at $639,632.

For information as to how a complete analysis of this company can be obtained see page 2.

Railways Reduce Rates on N. B. Pulpwood Exports

From Our Own Correspondent

MONTREAL. — Both the Canadian National and Canadian Pacific Railways have agreed to put in force on June 27 lower freight rates on shipments of pulpwood from New Brunswick to the State of Maine. The decrease ranges from 3½ to 6 cents per hundredweight, varying with the length of haul.

This action is expected to result in a healthy increase in the quantity of pulpwood taken out this year. Present estimates are that approximately 100,000 cords will be cut and peeled this season, providing employment to hundreds during the summer and furnishing woods activities in some sections hitherto idle.

A great deal of the pulpwood will be used within the province, while various Maine mills, notably the Seaboard Paper, have contracted for substantial amounts.

JOINS THOMSON & McKINNON

Arthur R. Porter, formerly Canadian manager of Billings, Olcutt & Co., is now connected with the Montreal office of Thomson & McKinnon, members of the New York Stock Exchange. Mr. Porter was previously with the Bank of Montreal for nine years and is well known in banking and financial circles.

HOPE TO STABILIZE U. S. COPPER PRICE PRODUCERS DIFFER

Wall Street Journal Sees Settlement Likely on Signing Recovery Act

United States producers of copper are again juggling with the price of the metal in the hope that the price can be stabilized on a more profitable basis.

In an article in The Wall Street Journal on June 9, the statement was made that an early voluntary agreement is likely among the copper producers as to price, operating percentage, and other matters soon after the Industrial Recovery Act is signed by President Roosevelt. Further comment by this paper, in part, is as follows:

"The nine-cent stabilization price is predicted upon the assumption that the workers' first need is work rather than higher wages. Presumption is that efforts under the industrial recovery bill will at first centre on stabilizing at a level that will encourage an increase in consumption this winter, and yet protect producers from monetary loss.

No Agreement Yet

"As yet there is no agreement upon the stabilization price among the copper products themselves. In fact, there are two divergent ideas prevalent as to what stabilization price should be. One important factor desires a stabilization price as high as 12 cents a pound. On the other hand, owners of a much larger potential tonnage are desirous of stabilizing the price around 8½ cents. This latter price is based on the assumption that wage levels will be such that producers will be able to break even on a cash basis at that price operating at rates that probably will be permitted by consumption during the second half of this year.

Many Unknowns in Equation

"Some of the producers with a higher cost of production feel that a price of nine cents should be adopted at first in the stabilization plan. Still another important factor in the industry feels that it is entirely too early for the industry to discuss the price at which stabilization should be attempted. This interest thinks that copper prices should not be discussed until the plan of the administrator as to general wage levels and commodity prices have been announced, because the wage scale is such an important factor in determining the cost of producing copper. Furthermore, it is pointed out the industry should also know the level at which prices of important mine supplies are to be stabilized.

"About the best that can be done at present is to indicate what would be acceptable to the copper industry if consumption were to stay around the present level of roughly 30,000 tons a month, and wage scales, cost of materials, power and the like were also to be stabilized about where they are. On such assumptions, it is conservative to state that the managements of companies owning more than a third of the potential producing capacity of the United States believe that the stabilization price at the start should be around 8½ cents. Owners of more than half our potential producing capacity do not favor a higher price at the start than nine cents.

See Nine Cents Limit

"There is a general feeling in the industry that the price adopted to begin with should be one that can be held without difficulty. They also believe the price should not encourage copper imports, or discourage domestic consumption.

"A price higher than nine cents a pound delivered does not seem possible for copper unless the tariff of four cents a pound is to be raised. There are mines abroad that can produce, at least with their present capital set-ups, at costs which would enable them to pay the four-cent duty and sell copper in this country at nine cents a pound without operating loss. Many of these mines have large ore reserves. The advantage to them in dumping part of their output in this country at no profit would be that the increase in their rates of operation would lower their costs of producing copper. This would give them greater profit than otherwise on their sales outside the United States."

MUNICIPAL BANKERS MAY CHANGE BONDS

Income Basis Proposed as Collections Are Difficult

Proposal has been made to the holders of $2,232,000 of general mortgage bonds of Municipal Bankers Corp. (1931) Ltd. that they exchange their present bonds, due March 15, 1946, for income bonds maturing March 15, 1948. A meeting of bondholders has been called for June 28 to consider this change which also involves passing of interest due September 15. It is believed that interest payments can be resumed on March 15, 1934, out of income, the amount of the payment depending upon the success attending operations of the company during the next year.

Holders of the new income bonds would be entitled to semi-annual interest payable March 15 and September 15 at the rate of 4 per cent annually up to March 15, 1936, and from then to maturity at the rate of 5 per cent, to the extent that net earnings of the company warrant such payment. Interest is to be cumulative so that if net earnings in any period are insufficient to warrant such payment the deficiency is to be made good out of subsequent earnings.

Municipal Bankers Corp. (1931) Ltd. deals principally in second mortgages and was formed in March, 1931, as a result of reorganization of Municipal Bankers Corp. which had some $2,396,800 of bonds outstanding bearing interest at 5¾ to 7 per cent. The bonds of the old company were exchanged for bonds of the present company which called for interest payments of 2 per cent annually from March 15, 1931, to March 15, 1932; 4 per cent from then to March 15, 1936; 5 per cent thereafter until maturity of the bonds at March 15, 1946. Practically all of the company's mortgages are secured by Toronto property and collections have been handicapped and reduced by existing business conditions and the provincial "Mortgagors' Relief Act." Interest has been paid as provided up to and including March 15, 1933, and payments total $195,000.

The five trustees appointed by the bondholders continue to act and approve of the proposed change to income bonds. These trustees, all of whom are bondholders and directors of the company, are: A. H. Milner, Brampton; J. M. Scott, Preston; J. M. Simpson, Napanee; A. D. Sutherland, Seaforth; F. W. Wilcox, Beeton. Sir William Hearst and G. C. Lawrence, general manager, complete the board of directors.

Terrebonne Bonds Awarded

Credit Anglo-Francais have been awarded $26,500 town of Terrebonne five per cent serial debentures, maturing from 1934 to 1953, at 93.13. This is an average cost basis to the town of 5.80 per cent.

Earnings Gain Of Simpsons Ltd. Is Accelerated

Since the commencement of the present year, earnings of Simpsons Ltd., have shown an upward trend which has been accelerated in the last few weeks. This is information given Wood, Gundy & Co., and passed on to their clients in the current market letter. The news will be of especial interest to holders of the Simpsons Ltd. 6 per cent first mortgage and collateral trust bonds due 1949 and to holders of Robert Simpson preferred stock.

The upward advance of commodity prices, if it holds, is of importance to all security holders both of Simpsons Ltd. and its operating subsidiary Robert Simpson Co. Drops in revenue in recent years have been due in part to the taking of necessary losses on inventory as well as to lower buying power of customers. No merchandising company, which has to maintain a large and varied stock, can avoid inventory losses in a time of dropping prices. These have been minimized to some extent as Simpsons turn over inventories rapidly. Such losses are recovered when prices turn up.

Great interest will be directed to experience of general business and of farmers in particular next fall. Greater prosperity in both fields would work out in favor of the company. Executives expect advantage from any arrangements made to get rid of customs valuations and arrangements which make it impossible to judge of laid down costs of foreign goods bought for customers.

CHANGE PLANNED STOCK REVAMPING OF DOMINION GAS

Canadian Bondholders Offered Longer Time to Buy New Common

Some changes are being made in the recapitalization plan sent to bondholders of Dominion Gas & Electric Co. as a result of representations made on behalf of Canadian bondholders by bankers who were active in placing the bonds in Canada.

It was represented that the warrants arrangements were not sufficiently attractive to induce bondholders to release $4,000,000 bonds of electrical subsidiaries pledged behind the bonds and to agree to subsidiary financing ahead of their bonds. As a result it has been agreed to change the offer so that holders of each $1,000 in Dominion Gas & Electric bonds will have the right to buy 15 shares of the new common stock at $7.50 for three years and for $10 for the two succeeding years.

Previously this right was only given to Sept. 1, 1934, and Toronto bondholders represented that security markets and general business might not have recovered by that time to a sufficient extent to make the warrants of value.

PEACE WOULD AID COLOMBIAN BONDS

End of War With Peru Would Remove Reason for Debt Moratorium

Possible settlement of the dispute between Colombia and Peru over territory around Leticia will remove the reason for the recently declared moratorium on Colombia's external debt, according to the Institute of International Finance. The institute suggests that bondholders would be well advised to await the outcome of pacific negotiations which are to be carried on through the League of Nations, before entering into discussions with the Colombian Government regarding debts.

Considerable sums are believed to have been spent by Colombia during the war with Peru. But the Government has made efforts to reduce its other expenses, having eliminated, for instance, certain subsidies and payments to municipalities. It has also made efforts to maintain its gold reserves.

Although April 1 coupons were paid on the six per cent bonds, many of which are held in Canada, defaults on other Colombian loans have occurred since then. If the Peruvian quarrel is settled, it is to be hoped that Colombia will rescind its moratorium decree.

An offer was submitted tentatively to the fiscal agents of the Colombian Government in New York for part payment of interest on funded debt. The offer was to pay 25 per cent of the face value and issue scrip bearing three per cent for the remaining 75 per cent. This would be redeemable within five years. The offer is understood not to have been accepted.

Montreal City Council Wants Utility Rates Probed

From Our Own Correspondent

MONTREAL.—Montreal City Council has decided to ask the Provincial Government to take the necessary steps to secure revision of gas and electricity rates in Montreal as at present applied by Montreal Light, Heat and Power Cons.

On several occasions in the past there have been efforts to bring about a probe of the utility rates charged in Montreal, but this has been deferred for one reason and another. In the present instance, the council desire not only an investigation of the rate structure but also an examination into the capital of Montreal Light, Heat and Power Cons. and its association with other utility operators.

Fraser Cos' Old Stock Withdrawn from Trading

From Our Own Correspondent

MONTREAL.—Old stock of Fraser Companies has been removed from the list of the Montreal Stock Exchange. This step was taken as a result of the reorganization of the company which resulted in a substantial reduction in the number of outstanding shares. It is anticipated that steps will be taken in due course to make application for listing of the new stock.

CAN. INTER. PAPER RECORDS DEFICIT DURING PAST YEAR

Drop in Production is Reflected in Lower Earnings

From Our Own Correspondent

MONTREAL.—Production of the mills now controlled by Canadian International Paper Co. dropped from 644,841 tons of newsprint and 131,099 tons of sulphite pulp in 1931 to 493,433 tons of newsprint and 119,251 tons of sulphite pulp in 1932. In addition to this reduced volume, there were heavy declines in prices both for newsprint and sulphite pulp.

Effect of these adverse factors was offset in part by substantial improvements in operating efficiency, lower salaries and wages and by reductions in administrative costs.

Short of Interest

Consolidated net earnings before interest and reserves of $3,649,798 were somewhat less than interest requirements on the company's first mortgage bonds and prior liens, including obligations of subsidiaries. After all charges, there was a net loss of $4,694,522 compared with a loss of $444,100 in the previous year.

Particulars of the income account follow:

	1932 $	1931 $
Gross Sales	30,227,721	25,493,739
Less: Expenses	26,864,478	20,962,870
Net Earnings	3,363,243	4,530,869
Profit on Sec. Red.	286,555	......
Total Net	3,649,798	4,530,869
Less:		
Depreciation	1,854,291	1,116,560
Int. Sub. Oblig.	2,232,240	......
Int. on Co.'s Bonds	1,495,932	1,531,499
Other Interest	2,061,565	950,49[illegible]
Depletion	525,228	......
Amort. of Disc.	175,065	176,417
Net Revenue	4,694,522	755,900
Less: Dividends	600,000	1,200,000
Net Loss	5,294,522	444,100
Brought Forward	5,341,503	5,785,604
Carried Forward	46,981	5,341,405

Reduce Current Liabilities

During the year funded debt was reduced by $3,486,098, bank debt by $1,616,625 and other current liabilities by $678,915, a total of $5,781,63[illegible] Against this there was an increase of $2,646,437 in indebtedness to affiliated companies and a reduction of $3,965,632 in current assets.

New Bonds Issued

Examination of the balance sheet shows a total funded debt of $93,563,857. During the year several important changes were effected in this item. Some $25,000,000 of gold debentures were retired and replaced by a similar amount of refunding mortgage bonds, carrying the same rate of interest and maturing at the same time. These were divided into A and B series. In addition the company issued $6,250,000 of 5 per cent Series C, which replaces in part $10,000,000 of 6 per cent gold notes, due 1933, which are shown on the 1932 balance sheet at $219,000.

All of these new bonds are owned by International Paper Co.

Also shown in the 1932 statement are details of the company's liability in respect to subscription of shares to the Newsprint Bond and Share Co., controlling Bathurst Power and Paper. The company has a liability of $867,500 due monthly to 1936, of which $274,180 is due in 1933.

Of the total funded debt $43,969,000 is owned by International Paper Co. and $49,594,857 by others.

Bank loans have been reduced from $5,110,625 to $3,494,000. Of this total $2,970,000 represents loans on the Newfoundland property and $524,000 on the Canadian property.

Inter-Company Obligations

The amount due by Canadian International to International Paper Co. shows an increase from $456,373 to $2,941,169, while the amount due to Canadian International Paper Ltd., controlling company, has advanced from $9,500 to $733,823.

The sum due to International Paper Co. is largely offset by $1,662,975 owing by International Paper and affiliated companies to Canadian International.

Property Account Constant

No marked change has taken place in the company's fixed assets. The book value of securities and investments, however, has increased from $1,481,946 to $2,535,515.

Inventories have been cut down from $23,806,950 to $17,964,449.

A liability facing the company is seen in connection with its subsidiary's (international Power and Paper Co. of Newfoundland) 5 per cent preference stock, which carries a cumulative dividend feature beginning with 1933. A total of 2,080,000 shares and £1 par value are outstanding.

Consolidated assets of Canadian International Paper at the end of 1932 totalled $175,638,238 compared with $182,501,520 a year previously.

AN INVESTMENT returning you $100.00 for investing $78.12 for 5 years

FOUNDED 1855

Canada Permanent accumulative bonds with interest at 5% per annum compounded half-yearly offer an attractive opportunity for the safe and remunerative investment of sums large or small.

CANADA PERMANENT Mortgage Corporation
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Assets exceed $70,000,000

GENERAL TRUST OF CANADA
Complete Trust Service—Capital paid up $1,105,000
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HON. D. O. LESPERANCE, Vice-president
BEAUDRY LEMAN, Vice-president
RENE MORIN, General Manager
112 ST. JAMES ST. WEST · MONTREAL

Watch your Arches

Your entire weight is shifted from one foot to the other more than 2,000 times in a mile walk. Each time your foot hits the ground, the ground hits back. Step lightly.

125 lbs.
160 lbs.

A GREAT deal of excruciating pain in the feet or elsewhere in the body, caused by weakened or broken down arches, can be relieved or completely removed. When the three main causes of foot trouble—misuse, abuse and disuse—are generally understood, a great deal more pain will be avoided.

If you walk with your toes pointed out instead of straight ahead you put a severe strain on your arches. Overstrained, they are likely to sag or flatten. Bones may be forced out of place, pinching and torturing sensitive nerves.

All too often these tortured nerves communicate their distress to nerve centers far removed from the feet. Leg aches, headaches, backaches and many other aches are penalties which follow the misuse of a hard-working foot.

Abused, either by being cramped in a shoe which does not permit the toes to lie flat, or sprawled in an ill-fitting shoe, no foot can support and move its burden comfortably and easily. Shoes should have a straight inner edge. They should fit snugly under the long arch and at the heel.

Examine your shoes to make certain that the sole, under the ball of your foot, does not round down in the center or bend up at the sides. If it does, every step you take tends to flatten the short arch across the ball of the foot. Then the needless pain.

Disuse is the third crime committed against feet which should be able to give willing and uncomplaining service. A foot which has little to do besides carrying its burden from bedroom to diningroom and from there to an automobile or other conveyance, loses its muscular strength, becomes almost an invalid foot through feebleness.

But when muscles and ligaments have lost their strength or arches have become weakened, the services of a competent foot specialist may be needed. He may, by proper treatment, or by prescribing corrective foot exercises or scientifically constructed shoes, restore your foot to a full measure of usefulness.

A booklet "Standing Up to Life" which tells how to overcome many foot ailments by means of intelligent foot exercises will be mailed free upon request. Address Booklet Department 6-F-33.

METROPOLITAN LIFE
INSURANCE COMPANY
FREDERICK H. ECKER, PRESIDENT
CANADIAN HEAD OFFICE OTTAWA
SERVING CANADA SINCE 1872

Gardiner, Wardrop & Co. Grain Exchange Members

Gardiner, Wardrop & Co., members Toronto Stock Exchange and Standard Stock & Mining Exchange, announce that P. R. Gardiner has been elected a member of the Winnipeg Grain Exchange.

They also announce that H. K. Vipond, formerly partner in Christie, Vipond & Co., has become associated with the firm.

Quebec Timber Prospects More Promising for 1933

From Our Own Correspondent

MONTREAL. — Timber production in Quebec during the 1932-33 season amounted to approximately 450,000,000 board feet, or about one third less than in the previous year. Prospects for the current season, however, are more hopeful, the Provincial Government estimating a substantial increase.

We wish to announce that
Mr. P. R. Gardiner
has been elected a member of
THE WINNIPEG GRAIN EXCHANGE

We also wish to announce that
Mr. H. K. Vipond
has become associated with this firm
Gardiner, Wardrop & Co.
Members
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—Complete Board Room Facilities—

Stocks Behind the Market

THE FINANCIAL WORLD analysts are always searching for securities which appear to be behind the market. EACH issue contains analyses of this kind. Don't miss our June 14th selections of 5 low-priced stocks that have been laggards. You will profit most if you accept our introductory bargain at once. Return this "ad," your address and

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(b) "Beneficiaries of Inflation" and "10 Outstanding Stocks for Recovery."
(c) Four next issues of The Financial World.
(d) June issue of "Independent Appraisals of Listed Stocks." (This 48-page book shows earnings comparisons, our ratings, etc., of 1350 stocks).
(e) "A New Basis for Selecting Stocks," "Time to Buy a Fortune?" and "Sound Investment Rules."

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Your Investments

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Dom'n Companies Act Sect. 110 Ultra Vires

Majority Opinion in Recent Decision Denies Creditors of Dominion Companies Right of Action Against Directors Who Pay Dividends Out of Capital—May Be Further Appeal

Majority opinion of the Supreme Court of Ontario (Court of Appeal and High Court of Justice), in the case of Meyer Malt & Grain Co. vs. Coombs et al, holds that Section 110 of the Dominion Companies Act, which confers on creditors of a Dominion company a right of action against directors who declare and pay dividends out of capital, is ultra vires.

This decision and the possibility of an appeal therefrom are exercising lawyers and creditors greatly. Throughout most of the literature regarding company law it has been regarded as fundamental that directors should not impair capital by declaring and paying dividends. While this decision governs, and if it is upheld at Ottawa and London, business men may find themselves obliged to give new consideration to policies of extending credit to Dominion companies.

Justices Masten and Middleton say that that section does not relate to the incorporation of the company, that is, to its creation as an entity, or to its capacity or powers, but is a provision in regard to its operation after incorporation. They hold therefore that section 110 infringes unnecessarily on the exclusive legislative powers of the Provincial Legislature in relation to property and civil rights within the provinces and is ultra vires. They hold that it cannot be regarded as a valid exercise of the Dominion Parliament's ancillary powers in relation to the incorporation of companies with Dominion objects.

Chief Justice Latchford Dissents

Chief Justice Latchford dissents. He does not think that section 110 is ultra vires. He is of the opinion that the Dominion Parliament has undoubted power to enact laws for the incorporation of companies with Dominion-wide objects. The power to incorporate a company, he holds, necessarily implies the power to prescribe limitations on the actions of the company so created, and particularly to insist that it shall not be free to impair its capital and thus tend to defraud as well the company as the individual shareholders and creditors thereof.

Section 110 reads as follows:

The Disputed Section

"If the directors of the company declare and pay any dividend when the company is insolvent, or any dividend, the payment of which renders the company insolvent, or impairs the capital thereof, they shall be jointly and severally liable, as well to the company as to the individual shareholders and creditors thereof, for all the debts of the company then existing, and for all debts thereafter contracted during their continuance in office, respectively.

"If any director present when such dividend is declared does forthwith, or if any director then absent does, within twenty-four hours after he becomes aware of such declaration and is able so to do, enter on the minutes of the board of directors his protest against the same, and within eight days thereafter publishes such protest in at least one newspaper published at the place in which the head office or chief place of business of the company is situated, or if no newspaper is there published, in the newspaper published in the place nearest thereto, such director may thereby, and not otherwise exonerate himself from such liability.

"Nothing in this section shall be deemed to create any liability upon the directors of a mining company by reason of payment of dividends out of funds derived from the operations of such company, if such payment does not reduce the value of the remaining assets of the company so that they will be insufficient to meet the liabilities of the company then existing, exclusive of its nominal paid-up capital."

A Tale of Financing

Chief Justice Latchford in dissenting from the majority on this appeal from the judgment of the Hon. Mr. Justice Garrow, pronounced on June 4, 1932, recalled that in June, 1927, the company was organized in the office of the legal firm of Price, Cochrane & Co., Toronto, under a charter issued by the Dominion of Canada. The object of the company was in the first place to purchase the Holliday brewery at Guelph and then to operate it. One James McQuarrie and a man named Walter had bought the brewery for $12,000.

The company was formed to purchase it from these gentlemen for 350 shares of seven per cent preferred shares with a par value of $100 each, or $36,000 and 50,000 common shares of no par value, or all the common shares of the company. McQuarrie received $18,000 in preferred shares and 25,000 of the common shares. Preferred shares held by the company were sold to the trusting public to the amount of $100,000.

Selling Influenced

The most important asset of the company was its contract with one Farah, who undertook to sell to or through the Provincial Liquor Control Board no less than 100,000 cases of ale in the first year of his employment. His commission, 20 cents on each case of pints and 30 cents on each case of quarts, would on the basis of half pints and half quarts amount in that one year to $25,000. A profit was nevertheless expected from the extensive purchases to be secured by this influential agent. The purchase from McQuarrie and Walters had been carried out, and matters arranged with Farah, although no formal agreement was executed until April, 1928. Heavy organization expenses had been incurred and no sales of ale made when on March 12, 1928, a notice was mailed to the directors of the company by the secretary, that a meeting would be held on the 16th to take action on the quarterly dividend and other matters.

The dissenting justice felt that it was immaterial that the directors may have acted in good faith in declaring the dividends. Neither Coombs, who had been elected president, nor Griffin, another director, was present when the first dividend was declared. Griffin immediately wrote to the company stating that any action taken by the directors would meet with his approval "with the exception of the payment of a quarterly dividend."

Warning Unheeded

He added: "No doubt you are aware of the fact that it is illegal to pay dividends out of capital and dividends cannot be paid unless there is a surplus. In the event of doing so the directors can be held personally liable."

Mr. McQuarrie, the general manager, was asked to draw the attention of the other directors to this. McQuarrie, who was to profit most by the dividend, as he was the largest individual holder of the preference shares on which it was declared, did not read Griffin's letter to the directors. In April, Coombs, the president of the company, learned of Griffin's objection and consulted Mr. Cochrane. Griffin was assured that the declaration and payment were quite proper. In November, Griffin tendered his resignation as a director, referring to the protest in his letter of March 14. His resignation was accepted January 2, 1929. The dissenting judge holds that neither Griffin nor Coombs took the means provided by subsection 2 of section 110 of exonerating themselves from the liability imposed by the prior paragraph.

In City of Toronto v. The King 1932, reversing the majority judgment of the Ontario Appellate Division, it was decided that as the criminal law of Canada was within the exclusive jurisdiction of the Dominion Parliament, it necessarily followed that the Dominion was no less empowered to direct how penalties for infractions of the criminal law should be applied.

From the opinion of their Lordships of the Judicial Committee, written by Lord Macmillan, Chief Justice Latchford extracted this statement:

"If the power to direct the manner of the application of penalties were to be disassociated from the power to create such penalties and were to be lodged in another authority, it is easy to see how penal legislation might be seriously affected, if not stultified.

"Applying to the present case the principle thus stated, it seems to me to follow that power to create a company necessarily implies the power to prescribe limitations on the actions of the person (company) so created, and particularly to insist that it shall not be free to impair its capital and thus tend to defraud as well the company as the individual shareholders and creditors thereof.

"Accordingly, I am constrained to think that the appeal must be dismissed with costs."

Appeal Was Allowed

However, the appeal was allowed with costs on the majority opinion of Justices Masten and Middleton. In setting forth their views Justice Masten said that this action is taken by a creditor of Holliday Breweries, incorporated under Dominion laws, against certain directors of the company to recover from them the amount of a debt due by the company to the plaintiff. The plaintiff alleges that by two dividend payments the capital stock was impaired and a cause of action against the defendant directors arose under section 110.

In considering the question of ultra vires, Justice Masten recalls certain principles or rules regarding the Canadian constitution which have been established by the decisions of the Judicial Committee and of the Supreme Court of Canada and which narrow the point to be determined. Three of these may be here cited:

(1) The Dominion Parliament possesses exclusive power to incorporate companies with objects other than provincial.

(2) This power is exercisable under the residual general authority to make laws for the peace, order and good government of Canada.

(3) Subject to two exceptions, this authority does not enable the Dominion Government to trench on the subject matters entrusted to provincial legislatures, under the enumerated clauses of section 92.

Strictly speaking, the provision in section 110 does not relate to the incorporation of the company, that is, to its creation as an entity, or to its capacity or powers but is a provision in regard to its operation after incorporation. Justice Masten does not find this provision so "reasonably necessary" to the adequate equipment of a company incorporated under Dominion law, as to justify an extensive infringement on the provincial domain of civil rights.

Apart altogether from section 110, however, directors, who declare and pay dividends which impair the capital of the company, are liable personally to make good to the company such impairment. To pay dividends out of capital is, under whatever disguise, tantamount to returning so much capital to the shareholders to whom such payment is made, he said.

Justice Masten quoted Lindley on Companies.

"Such an application of the company is calculated to deceive the public and can hardly be made for any honest purpose; and in the next place capital raised or money borrowed in order to carry on the business of the company cannot be properly applied for such a wholly different purpose as that of paying dividends to the shareholders."

Are Liable to Company

The directors are quasi trustees of the capital of the company and so apart from section 110 the company whose capital has been diverted to an unwarranted use has the fullest right to be recouped by its directors the sum by which its capital has been unwarrantably depleted. In such a case it is the company as a distinct entity which suffers from the breach of trust by the directors and the company has, quite apart from section 110, a right of action against the directors.

But by section 110 the Parliament of Canada assumes, upon the occurrence of certain events, to confer a statutory right of action, not on the company which it is incorporating, but on citizens of the various provinces where the operations of the company will be carried on and who become creditors of the company. Under the section in question, these citizens of the provinces acquire a new statutory remedy not against the company their debtor, but against certain individuals, to wit, the directors of the company.

This right is in no way connected with either the incorporation or the organization of the company but only with its subsequent operations. The interests of the company were fully protected quite apart from section 110 and the main effect of that section is to confer civil rights on individuals, the company which is being incorporated being only incidentally affected.

Makes Them Partners

The further effect of the section is to transform the directors so far as liability is concerned into partners in the undertaking owned by the company and to make them liable as such partners for debts not their own, but the debts of the company. This extraordinary new right of action given not to the company but to the creditors, is not, in Justice Masten's view, reasonably necessary to the equipment and operation of a company incorporated under the Dominion Companies Act, and does not fall within the powers committed to the Parliament of Canada by the British North America Act because it infringes unnecessarily on head 13 of section 92, which commits exclusively to the Provincial Legislature legislation in respect to property and civil rights.

Thinks it Unnecessary

"I should add that in reaching this conclusion I have not overlooked the argument that the Dominion authority in creating such a corporation as this, with power to carry on its operations throughout Canada, has imposed on it a limitation and condition in protection of the public throughout Canada, viz., that its capital must be maintained intact and has sought to support that limitation and enforce its observance by the quasi-penal provisions of section 110.

"But when considering the section from the standpoint of its constitutionality its essence seems to me for the reasons above stated, to be an unnecessary and therefore unwarrantable interference with civil rights . . . . . .

"For these reasons I am of the opinion that section 110 is invalid and it becomes unnecessary to discuss the second ground of appeal. The appeal should be allowed and the action dismissed, both with costs."

Justice Middleton agreed with Justice Masten.

Enquiries

Steel of Canada

Am considering purchasing a few shares of Steel of Canada and would be obliged for your views on the company.

Steel Co. of Canada's earnings naturally have been affected by the depression and earnings in 1932 were equal to 84 cents a share on the preferred stock and nil on the common. Dividends of $1.75 a share, however, were paid on both classes of the stock. In March this year the dividend on the ordinary shares was reduced to $1.20. Sales this year are reported to have recorded a further decline, though indications point to a pick-up in demand for the company's products of late. Financially the company occupies a strong position with a net working capital of $13,918,322. The company has nearly $1,000,000 in cash and holds Dominion Government and other prime securities having a market value of $6,913,105.

B. A. Oil, Page Hersey

Will you kindly advise me what your selection is or would be for the ten best industrial commodity or mining stocks to purchase for the maximum enhancement in value along with fair return in interest for the next two to five years? If this is not within your jurisdiction will you kindly give me your opinion based on the same principles of British American Oil and Page-Hersey Tubes?

British American Oil earned its 85-cent dividend with 14 cents a share to spare in 1932. This accomplishment in a difficult year like 1932 is real evidence of good management and of the inherent strength of the company. When one considers the situation for the next two to five years one naturally expects the best from companies with an excellent record such as this, but one also has to take into consideration the fact that the oil industry of the world as a whole is in a rather insecure position due to the fact that immense over-production of crude oil in the United States is only prevented by curtailment of the most severe kind.

The Canadian companies are shut off from the worst features of that and from competition from the excess refinery capacity of the United States by tariff protection, but the crude oil obtained from the United States has to be paid for at a premium in United States money and the tariff protection has led to more refinery capacity being built in Canada so that at the outset of 1933 the refinery capacity is much beyond the Dominion's capacity to consume the output. Whether or not that will lead to even more serious competition than has yet occurred, time alone will show. So far the situation seems to have been kept well in hand in Canada reductions in price of gasoline being as a rule in direct line with reductions in crude in the United States.

Page-Hersey Tubes is paying $3 a share on its common stock and in 1932 it earned $1.96 as compared with $5.81 earned in 1931 and $10.33 earned in 1930. Its working capital position is still very strong, operating expenses are low and plant and machinery are in excellent condition. In other words, the company is in excellent shape to do business when it comes. After that, anybody's guess is good. If there is a slow and painful improvement in Canadian business over the next few years, this company's earnings would probably reflect the situation.

It is the policy of The Financial Post not to suggest securities for your purchase because we would not be able to tell you individually when to sell. We are glad, however, to give you information wanted at any time as to the background of any Canadian security.

Canada Steamship

No interest has been paid on my general mortgage bond of Canada Steamship Lines. Can you tell me what has happened?

A short time ago a group was formed to act as a Protective Committee for the general mortgage bondholders of Canada Steamship Lines. This body, of course, has no legal authority until the bondholders send in proxies providing power to act on their behalf.

It is very difficult at this time to forecast what action the committee is likely to take. Unless there is a marked improvement in the company's position this year, it is to be expected that some revamping of the capitalization may be undertaken in order to place the company on a sounder footing. This may take the form of reducing the interest of the general mortgage bondholder, which in turn means reducing the equity of the preferred and common stock shareholders. As you will understand, however, any forecast at this juncture is only surmise.

Sherwin-Williams

I am holding a few shares of Sherwin-Williams common stock and am wondering if the business of the company will permit the early resumption of dividends. Have you any information on this point?

Sherwin-Williams Paint Co. of Canada's operations have been affected by the recession in business and the limited demand for paint products generally. The company has been able to hold its position in the industry and with any resumption of construction or industrial activity, its operation and earning power should undergo an improvement. We do not anticipate that the management will consider the resumption of dividends on the common stock until such time as conditions are on a more stabilized basis.

St. Lawrence Paper

It would be appreciated if you would let us have your opinion on the likelihood of St. Lawrence Paper Mills resuming dividend payments on its preferred stock.

St. Lawrence Paper Mills is experiencing a situation common to all newsprint manufacturers, namely, decline in consumption and lower prices. The newsprint industry has been and is in a chaotic state but there are more hopeful signs of late. St. Lawrence Paper Mills, and the other companies for that matter, are a long way from re-establishing their earning power. It would appear, however, that the companies have about reached rock bottom and that any change in the situation is likely to be for the better rather than for the worse. Any forecast as to the possibility of resumption of dividends on the preferred stock would be only a matter of guesswork and of little value.

Grouped Income Shares

We would appreciate your opinion on the Grouped Income Shares, Series A, described in prospectus sent out by C. Rice-Jones & Co., Winnipeg. They point out the advantages in buying Grouped Income Shares, saying that their sure marketability is a desirable feature, as they are saleable at any time. Would you please advise whether or not you would recommend these income shares as a safe investment which shows good prospects of increase in value?

The common stocks included in the portfolio of Grouped Income Shares are generally regarded as "blue chip" stocks and all have an active market in New York where they are listed on the New York Stock Exchange. During the past month, they have all shown a substantial appreciation and there is no reason to believe that they will not continue to appreciate as business conditions come nearer normal. In a number of cases, dividends have been reduced or passed altogether and this would reduce the present income from Grouped Income Shares but on the other hand all the stocks included in the portfolio have had a good record of dividend payments in the past and as soon as earnings warrant it, probably dividends will be resumed or increased.

An investment in Grouped Income Shares gives the small investor a diversification that he could not otherwise secure except through some other fixed or management type of trust.

As you are probably aware, the offering price of Grouped Income Shares is shown daily in the Winnipeg papers but from the daily sheets of transactions on the Winnipeg Stock Exchange it does not appear that there is any volume of sales at the present time. On May 26, 100 shares were sold at $4 per share. The bid price does not appear to have been shown regularly but an asked price appears daily on the Winnipeg Stock Exchange sheet and on May 18, this asked price was $4.40 per share and at May 27, $4.75 per share. The shares do not have an active market and this might be some drawback although presumably the investor buying the shares does so with the idea of holding them. According to information furnished us by the Grouped Income Distributors Ltd., holders of less than 500 Grouped Income Shares can deposit their certificates with the trustee, Toronto General Trust Corp., Winnipeg, and will then receive within five days the market value of shares represented by the share certificates turned in. As long as the sponsors of the trust are selling shares they will probably maintain a market for the shares at approximately 5 per cent under the asked price.

Photo Engravers

A client holds some shares of Photo Engravers & Electrotypers Ltd. and wants to know if it is worth holding. She paid much higher prices for it than are prevailing at present. She is a widow with two children and safety of principal is first consideration. She wishes to know if there is any danger of the company going bankrupt before the depression is over.

The annual statement of Photo Engravers & Electrotypers Ltd. for the year ended February 28, 1933, showed earnings higher than those for the year ended February 29, 1932. The company has not been paying dividends on its stock and has been reducing notes payable on account of new equipment purchased following the signing of the 10-year contract with Robt. Simpson Co. early in 1931. At February 29, 1932, these notes totalled $153,000 and during 1932 all of this item was paid off. Earnings from now on can be applied to reduction of bank loan which stands at $250,000.

Depending upon the urgency of retiring bank loans and if business remains at 1932 levels the company may possibly be able to resume dividend payments within the next year at a probable rate of $1 per share annually. The company has but one class of stock, an able management, a well-establised business and a contract with the Robt. Simpson Co. which should prove very remunerative providing there is any pick-up in Simpson's mail order business. The contract with Simpson's is for all printing including mail order catalogues on a cost plus basis and there is some reason for believing that Photo Engravers is more or less protected from any loss on this contract. While it may be necessary to hold the stock for some time before prices again reach the 1931 level, the shareholders should benefit ultimately from the policy of the company of paying for equipment out of earnings.

Burns & Co.

I hold some of the six per cent preferred stock of Burns & Co. What are the possibilities of dividends being resumed on this stock?

Resumption of payment of dividends on the preferred stock of Burns & Co. depends largely upon the speed of recovery of normal business conditions and improvement in commodity prices. Improvement is indicated for the first quarter of 1933 in which the company had an operating profit as compared with an operating loss in the first quarter of 1932. Losses on inventories have been a serious problem in the last few years and if prices are stabilized or show appreciation such losses will no longer be a factor in retarding recovery of the company. Various problems must be solved but substantial progress has already been made and operating costs have been substantially cut.

Before the company can pay dividends on preferred stock, it must pay its obligations to bondholders which include interest due June 1, 1932, and subsequent interest payments. The sinking fund on the bonds must also be paid up to date and the company will probably wish to build up some surplus before preferred dividends are resumed. Annual interest charges on the bonds amount to some $375,000 and sinking fund payments to $150,000. By the end of the current year, the company will have obligations of some $1,000,000 in arrears to bondholders.

With these facts in mind, it would not appear that preferred dividends can be paid for at least two or three years.

Service Stations

I have been holding some Service Stations (common) bought at very much higher prices, and would appreciate your opinion as to the future and present earnings of the company. It has always shown good earnings in normal times. My inclination is to hold on to these shares.

The annual statement for Service Stations Ltd. for 1932 shows that the company lost $643,080 after depreciation and that it should earn $1,400,000 more to enable it to resume payments on common stock. The company itself reduced its common stock valuation from $7,783,458 to $714,936, or to about $3 a share in line with a most drastic writing down of fixed and other assets. It was a difficult year for all companies selling service station equipment, and especially so in the United States where all the large producers and distributors were obliged because of the fall in gasoline prices to cut such purchases to the minimum. Service station companies tried to meet the situation by drastic cuts with the result that this department of the business for most of them has been a losing one. Service Stations was one of the best financed companies in the business and, therefore, has shown a better face to the situation than most of them.

It is also helped by the fact that some of its plants are devoted to the manufacture of other equipment than for the oil trade. For example, its manufacture of hot water range boilers, gas water heaters, oil burners, septic tanks, milk cans, enables it to take advantage of good business whenever it is available in these lines; especially in the case of the gas water heaters, the milk cans and the hot water range boilers, has the company done well.

The increase in the use of natural gas in the United States has been a help to it. Nevertheless, the service station end of the business is still the most important and an improvement in earnings of the large oil companies in the United States will be of advantage to this company when it comes. The company has had courageous management in the past and had even expanded up to the end of 1932 in line with opportunities. Working capital is strong and the current position especially good. It has no bank loans outstanding and only $139,000 outstanding debentures of a subsidiary.

Improvement in United States demand for service station equipment may prove a slow matter. As long as recurrent price wars disturb every effort at adjustment on a profitable basis of sales of oil, their buying will be greatly curtailed.

A. L. Ellsworth, president, expresses the opinion that it is improbable that prices of the various articles manufactured will recede further. The directors think, he states, that the low point in price and volume has been passed. Even in 1931 the company further diversified its business and effected many economies.

High-Grade Bonds

Securities of the following type should be included in every investment account.

	Price	Yield
DOMINION OF CANADA		
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†PROVINCE OF NEW BRUNSWICK		
5% Debentures—due 2 July, 1963	100.00	5.00%
*PROVINCE OF ONTARIO		
4% Bonds—due 1 June, 1968	93.73	4.35%
CITY OF HAMILTON		
5% Debentures—due 15 April, 1942	101.45	4.80%

†Principal and Interest payable in Canada and London, England.
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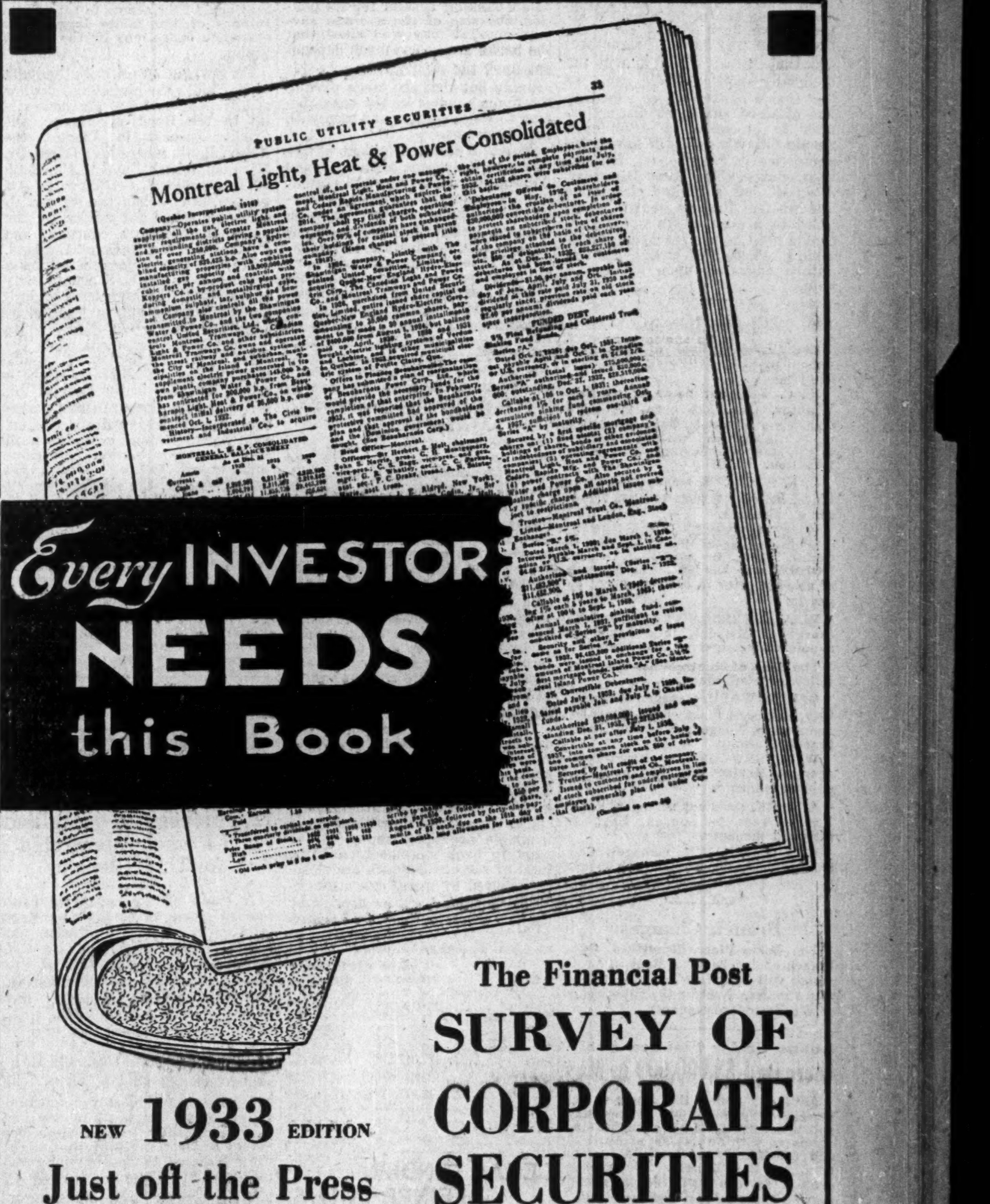
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Bank Chat on Current Topics

Puzzled Scribe Wonders Why Bankers Write So

CRYPTONYM, derived from the Greek kryptos (concealed) and onoma (a name), means a private, secret or concealed name according to our favorite dictionary. In the experience of this writer the best key to the solution of a cryptonym is the monthly Bank Directory. There in clear type are listed our banker friends from coast to coast, a very present source of help when we are in the editorial chair.

We have often pondered as to why so few bankers have a signature with the rugged simplicity of that of Jackson Doods, general manager of the Bank of Montreal; the easy grace of that of Beaudry Leman, general manager of the Banque Canadienne Nationale. A larger group have signatures that are decipherable on closer study and in this class we would put the signature of Sir John Aird and Morris W. Wilson, vice-president and general manager of the Royal Bank. In the "difficult-to-impossible" class, which can be properly termed cryptonyms, we give the distinctive but eminently undecipherable signature of C. A. Bogert, president of the Dominion Bank, a place of high honor.

* * *

BANK men have every reason to develop a signature that will defy forgery but we sincerely doubt whether the cryptonyms that cross our desk daily have been worked out consciously. Man writes no group of letters more constantly than he does his name, the writing of which becomes so familiar that it is automatic. Temperament undoubtedly plays a part in shaping the signature; determines the accentuating of the upward and downward strokes, is responsible for simplicity, the florid crossing of t's or streaming tails on y's and g's. Some people claim the signature as the index of a man's personality although personally we place graphology in the same class as phrenology, palmistry and the other pseudo-sciences.

We have achieved, however, a point where we get a "kick" from deciphering the undecipherable although we have yet to solve the problem of why bankers' signatures get that way. While it will undoubtedly spoil our little game we feel that a banker whose signature has attained sufficient distinctiveness to be called a cryptonym, should follow a policy of having his name clearly typed on all his correspondence. The Bank Directory, after all, has a limited circulation and we feel that no banker is entitled to use an unexplained cryptonym until he has reached the ultimate distinction of having his signature engraved upon his bank's notes.

Staff Changes

The Canadian Bank of Commerce announces the following staff appointments:

R. C. BROWN, manager at East Windsor, Ont., has been appointed manager at Brussels, Ont., succeeding G. H. SAMIS who will be attached to the staff of relieving managers at Hamilton.

C. E. BECKETT, manager at Eagle Place, Brantford, goes to East Windsor as manager.

W. A. SAWTELL, of the staff of relieving managers, Hamilton, goes to Gorrie, Ont., in place of H. V. HOLMES who has been granted leave of absence prior to his retirement on pension.

W. A. PATERSON who has been in charge at Matsqui, B.C., has been appointed manager of that branch.

The Bank of Montreal has made the following staff changes:

G. B. HOWARD, manager at Mexico City, Mexico, D.F., has been appointed manager at Yonge and Queen Street branch, Toronto.

W. K. NEWCOMB, assistant manager at Mexico City has been appointed manager.

A. PARK, assistant manager, Paris, France, goes to London, Eng., as assistant manager.

R. J. FAIRBAIRN, manager, Carbon, Alta., has been named manager of Stock Yards branch, Calgary, Alta.

Branch Changes

The **Eagle Place, Brantford, Ont.,** branch of the Canadian Bank of Commerce will hereafter have the status of a sub-branch under the supervision of the Brantford manager.

Loans Under Finance Act Increased $3,000,000 in May

Advances under the Finance Act increased by $3,000,000 during May and totalled $42,344,000 at May 31 as compared with $39,344,000 at April 30 and $48,444,000 at March 31. Gold held by the Minister of Finance against savings bank deposits and against notes as required by the Dominion Notes Act, remained at $71,943,954.

Notes in circulation increased to $174,847,585 from $171,839,896 chiefly due to increase in legal tender notes for banks which were up by $3,045,000. Notes of $1 and $2 denominations showed some increase, largely offset by decrease in notes of $5, $500 and $1,000 denomination.

Weekly Bank Clearings

	June 8, 1933 $	Change year ago %	June 1, 1933 $
Halifax	2,618,170	—0.4	2,217,645
Saint John.	1,417,082	—15.3	1,442,845
Moncton ..	609,960	—14.4	538,300
Sherbrooke .	642,365	+8.0	553,676
Quebec	4,837,429	+7.8	4,567,396
Montreal ..	95,603,072	+26.8	90,405,607
Ottawa ...	4,869,471	—4.7	3,683,035
Kingston ...	672,745	+3.0	473,201
Peterboro' .	509,550	—11.4	565,843
Toronto	113,587,659	+44.8	112,298,258
Hamilton ..	3,971,164	+6.1	3,419,271
Kitchener ..	1,253,613	+3.2	887,652
Brantford ..	755,503	—15.1	883,214
London ...	2,513,399	—17.1	2,253,749
Chatham ...	502,588	+25.6	372,621
Windsor ...	2,360,110	+5.7	2,030,082
Sarnia	467,800	+5.4	318,872
Sudbury ...	667,237	+13.7	591,028
Ft. William	664,033	+7.4	505,344
Winnipeg .	40,623,065	—20.4	45,777,176
Brandon ...	306,976	—18.2	258,998
Regina	2,886,750	+2.7	2,696,743
Saskatoon .	1,242,855	—22.3	1,058,931
Pr. Albert .	255,004	—12.8	204,618
Edmonton .	9,098,077	+115.3	3,229,309
Calgary ...	5,102,341	—8.1	5,070,166
Medicine Hat	225,998	+17.4	153,847
N. W'minster	443,670	+2.0	494,026
Lethbridge .	356,112	+8.3	324,180
Vancouver .	15,628,820	+33.3	15,210,101
Victoria ...	1,684,332	+22.1	1,512,620
Moose Jaw .	481,194	+4.6	491,739

Current Events in Banking World

AVERAGE SIZE OF BANK ACCOUNT HARD TO FIND

Savings Accounts Will Probably Average Under $400

COMMISSION MAY ASK

Bank of Montreal Reports 1,000,000 Depositors; Accounts Would Average $532

Bank of Montreal advertising copy "plays up" the fact that the bank has over 1,000,000 depositors in Canada; states that depositors come from every class of the community in city and country alike; fails to indicate the size of the average savings account.

With $532,898,005 of Canadian savings and demand deposits on its books at April 29, 1933, the average of $532 in savings accounts is obviously too high since the bank held $131,196,727 of commercial deposits on which the average would be much higher. It is probable that the average savings account will average well under $400.

Canadian banks have never issued figures which would indicate their dependence upon small depositors and it is seldom realized how small the average savings deposit is. It is a case of the forest obscuring the trees. Without the trees the forest would not exist and without the small depositor the Canadian banking system would not be what it is today in the opinion of many financial experts. Canada's future is closely tied up with the small depositors who probably have to their credit the bulk of the $1,399,500,000 of savings deposits in the Canadian chartered banks.

May be Given in Evidence

At the forthcoming hearings of the royal commission which will investigate banking and monetary conditions and problems in Canada it is considered possible that evidence will show the figures that will undoubtedly prove the position of the small depositor. To those who would attack the Canadian banking system for its policies, the size of the average savings account may well show that the banks are not so much dependent upon the wealthy class in this country but that the large part of the funds handled by the banks belong to wage earners and men with small incomes.

W. G. Watson, president of the Dominion Mortgage & Investments' Association, states that 12 Canadian life insurance companies having 2,821,876 policyholders show an average equity of $478 on each policy. In 13 Canadian trust companies and 11 loan companies, who have 151,516 depositors, the average deposit is less than $400. It is pointed out that the whole financial structure of Canada is built up on just such small savings and that the insurance companies and trust and loan companies are not merely the trustees or agents of those who have acquired substantial wealth.

Average Will Vary

If the size of the average savings account is divulged to the Royal Commission it is not considered likely that the figure for each bank will be given separately. Bankers admit that the cause of the banks would be aided if the figures were given out but refuse their own figures unless other banks will issue theirs. It is probable that there would be a fairly wide variation between the averages of the various banks. Such variation would be due to various factors including number, size and location of branches and the degree to which the bank seeks small savings accounts.

Of tremendous advantage to industrial and commercial companies would be figures showing the average size of savings accounts in the different provinces and the trend of growth or shrinkage in the provincial averages. The only figures now available are these shown in the monthly bank statements and the total of savings deposits are closely followed by many executives.

The amounts held on deposit by the ten chartered banks as reported in the statement of conditions as at April 29 are as follows:

Bank:	Demand Deposits $	Savings Deposits $
Montreal	131,196,727	401,701,278
Nova Scotia	27,941,321	135,168,460
Toronto	21,852,301	61,257,497
Provincial	3,688,744	31,586,364
Commerce	106,653,710	288,636,575
Royal	127,917,716	263,599,625
Dominion	24,607,636	60,871,759
National	15,916,239	79,489,255
Imperial	23,411,165	75,600,008
Barclay's	1,037,516	1,630,742
Total	484,223,105	1,399,541,563

LEGAL TENDER DEFINED IN U. S.

New Act Would Permit Payment of Debts in Small Coin

The question as to just what constitutes legal tender in the United States is apparently settled by a clause in the Farm and Inflation Act recently passed which states, "Such notes (new treasury notes authorized by the Act) and all other coin and currencies heretofore or hereafter coined or issued by or under the authority of the United States shall be legal tender for all debt, public and private."

As the law stood previously only gold, silver, and U. S. notes were lawful money and legal tender for all debt. Under the new law it would seem possible to pay any debt at any time in any U. S. currency, even pennies.

Legal tender is a quality given a circulating medium by Congress and possessing this quality becomes lawful money. Legal tender is money which a debtor may legally require his creditor to receive in payment of a debt in the absence of any special agreement in a contract or obligation itself.

Saint John More Active

Final figures of import and export tonnage at the Port of Saint John for the winter season recently closed show a net increase over the previous season of 136,446 tons, the exports showing a gain of 140,176 tons and the imports a decrease of 3,730 tons. Exports amounted to 536,300 tons and imports to 290,519 tons.

Bank of England Adviser Taken Into "Brain Trust"

Professor O. M. W. Sprague Leaves Old Lady and Becomes Roosevelt's Fiscal Adviser — Credited With Directing Operations of Sterling Equalization Fund

To give up the position of economic adviser to the Bank of England and become adviser on currency and finance to the Roosevelt administration in the United States was the recent experience of a former Harvard don, Professor Oliver Mitchell Wentworth Sprague. Wits would rate the feat of holding two such positions in one year ahead of the golfing record of Bobby Jones.

Like other Roosevelt appointees, Professor Sprague is known of old to the U. S. president. When the youthful Roosevelt was a Harvard undergraduate, the now 60-year-old Sprague was just beginning his instructorship in economics at the famous New England university.

When his address was simply "Bank of England, London," Professor Sprague is credited by financial journals with having had no less stupendous a task than directing the operation of the famous sterling equalization fund. Consequently his appointment to the Washington "Brain Trust" has led to speculations that the United States may start a currency stabilization fund of its own.

Sterling Fund's Losses

The sterling equalization fund is said to stand a large loss at present exchange quotations. It is said to be "long" dollars on an enormous scale, and "short" of sterling. Dollars have dropped and sterling has risen since the fund is believed to have taken this position. This is not to be construed as a reason for Professor Sprague's decision between the Old Lady of Threadneedle Street and his own new love in Washington.

"It is impossible to stabilize currencies tomorrow or next week," he is reported to have said, when queried by zealous American journalists. "Currencies cannot be stabilized until economic conditions are stabilized. We are working to that end." This seems to set at rest rumors of immediate large scale exchange operations by the United States.

Dr. Sprague's work with the Bank of England gave him an inside view of European banking. He made visits to the Bank of France, the Credit Anstakt in Vienna, the Reisch Bank, where he advised Dr. Hjalmar Schacht, and to the Bank of International Settlements. Of course, he also had the distinction of being asked for advice by the governor, Montagu Norman, and directors of the Bank of England.

He may have erred in telling a committee on the U. S. senate early in 1928 that the high level of brokers' loans did not in themselves constitute any great danger. He corrected this statement when the loans began to rise more rapidly than before. In 1929 he urged a drastic advance in the Federal Reserve System discount rates, warning against continued speculation. Said he: "If things go along until stock prices are too high, a serious collapse will follow." It did. He has, therefore, the right to say "I told you so."

The latest addition to the brain trust is small physically. He is said to be of a retiring disposition, but has not hesitated to make statements to the press. His views on money are anti-inflationary. During the war he suggested that the United States should pay war expenses from taxation.

Apparently with Rooseveltian speed, it was decided in Washington to invite fiscal authority Sprague into the "brain trust," shortly after the United States announced officially its abandonment of the gold standard. This thunderbolt was unloosed on the startled world on April 19. Sprague landed in New York exactly one month later, on May 19. On Saturday the 20, he was in Washington. With Secretary of the Treasury Woodin, he "called on the president" before noon that day. On Tuesday, May 23, it was announced that Sprague had been appointed to his present advisory position. He bears the unimpressive title, "Executive Assistant to the Secretary of the Treasury."

Ability Highly Rated

"The appointment of Professor Sprague," says The Annalist, "unquestionably raises the quality of the administration's economic staff." This comment may be complimentary to Mr. Sprague, but does not flatter other "brain trustees," in which The Annalist has been none too confident.

Sprague is a New Englander by birth and education. He was born in 1873 at Somerville, Mass., which makes him 60 years old. Harvard gave him his first degree in arts in 1894, and made him what Canadians designate an M.A. in 1895. Ph. D. in 1897. His alma mater took him into the fold as a lecturer in economics in 1900; assistant professor 1904.

In 1905 he married Fanny Knights Ide of St. Johnsbury, Vt., and promptly sailed for Japan where he was professor of economics at the Imperial University of Tokyo until 1908. Back to Harvard in 1908 to be assistant professor of banking and finance until 1913. Then he became full professor of this subject, holding the position until 1930.

The Bank of England hired him as economic adviser in 1930. He held this position up to May, 1933, giving it up to take his present job advising on Roosevelt's fiscal policies.

Specialty is Finance

Professor Sprague's specialty in economics has been banking, currency and finance. He has written three books: "History of Crises Under the National Banking System," 1910; "Banking Reform in the United States," 1911; "Theory and History of Banking," 1929. His first two books were part of a programme of information on the shortcomings of the United States banking system which led to the formation of the Federal Reserve System in 1913. His "History of Crises" was written as part of the report of the National Monetary Commission of the United States of 1909, a group of whose investigators visited Canada at that time. The Canadian banking system was examined in some detail by the Americans, and Professor Sprague is, therefore, well acquainted with it, although he did not visit Canada with other investigators for the commission.

STUDY REVIEWS HISTORY LESSONS ABOUT INFLATION

Experience of England and France Interpreted for U. S. Benefit

A study of the course of commodity prices in France and England as a result of inflation has recently been attempted by Col. Ayres, of the Cleveland Trust Co., and the results are illuminating. As to English experience, Col. Ayres concludes that it offers little of value as a key to what may be expected to happen on this continent. This because although U. K. abandoned the gold standard, she has not permitted any important expansion of her paper money and she is carefully safeguarding her money against anything that might even threaten to develop into real inflation. "England was forced off gold," he says, "but she is nevertheless retaining sound money."

About all that happened to commodities in Great Britain was a sharp rise of about 12 per cent in September, and October, 1931, which was gradually dissipated by the middle of 1932 and has now disappeared entirely in spite of a smaller increase in the interim. It must be remembered, however, that during this period, wholesale commodity prices in other countries notably United States, were slipping rapidly in this period so that relatively the British improved their commodity price position considerably.

French Inflation Story

Experience of France during her inflation of 1919-27 shows that movements of this sort take far longer to materialize in that country. Commodity prices reached a peak in the second year of French inflation, at about 50 per cent above previous levels but by the third year they had fallen to new low levels "which illustrates the dangers of speculation based on inflation." During the next five years, however, when the gold value of the franc slowly declined from about 12 to 3 cents, commodity prices rose steadily and by 1926 they were nearly 8 times as high as in 1913.

Col. Ayres' conclusion to his study is significant: "There are no simple rules to cover inflationary developments."

Foreign Exchange

STRENGTH in sterling and Canadian dollars in terms of the United States currency featured foreign exchange markets during the week ended June 12. With the world conference opening in London, the sharp weakness of the United States dollar was causing the greatest sustained disturbance of exchanges since September, 1931, when Great Britain went off gold. The conference may, of course, change this, early reports already indicating that an exchange "accord" will be reached for at least the term of the conference.

Exchange authorities have it that a large short interest and an absence of buyers are still weakening the United States dollar. Shorts would ultimately tend to strengthen the dollar, but they are believed to have been encouraged to hold their position because of reports that Washington approves of the dollar's most recent declines. There is no official support for the dollar yet, it is understood. But close students expect the United States to establish an exchange control fund when the situation is thought to justify it.

* * *

STERLING and francs have been favored by short sellers of the United States dollar. There is also believed to have been some panicky buying of these currencies by United States importers whose costs have been sent soaring because of the dollar's drop.

Reliable sources of information indicate that some strength may be seen in the United States dollar. But this is acknowledged to depend on the course of the inflation programme in the United States. There is still good opinion that the weakness of dollars and strength of sterling, francs and Canadian dollars is largely psychological and speculative.

FOREIGN EXCHANGE

New York Funds

	High (Premium) %	Low (Premium) %	Last Year High (Premium) %	Last Year Low (Premium) %
June 6	12 1-16	11 7-16	15	14 1-8
June 7	11 5-8	10 13-16	16 1-4	15 1-8
June 8	10 7-8	10	16 7-8	16 1-8
June 9	11 1-8	10 3-8	16 1-8	16
June 10	10 1-2	10 1-8	16 1-8	15 3-4
June 12	10 3-4	9 7-8	16	15 5-8

STERLING, FRANCS AND LIRE

Close: Demand in New York

	Sterling	Francs	Lire
Gold par	$4.866	$0.03918	$0.526
June 6 ..	4.01 7-8	0.468	0.617
June 7 ..	4.05 3-8	0.471 3-4	0.623 1-2
June 8 ..	4.09 5-8	0.475 7-8	0.629 3-4
June 9 ..	4.10 1-8	0.478	0.631
June 10 ..	4.12	0.481	0.636 1-2
June 12 ..	4.14 7-8	0.483	0.641

Close: Demand in Toronto

	Sterling	Francs	Lire
Gold par	$4.866	$0.3918	$0.0526
June 6 ..	4.50 1-4	0.0523 3-4	0.0688 3-4
June 7 ..	4.52 1-4	0.0525 1-2	0.0693 3-4
June 8 ..	4.54	0.0529	0.0700
June 9 ..	4.55	0.0530	0.0699 1-2
June 10 ..	4.56 3-4	0.0531	0.0703
June 12 ..	4.60	0.0535	0.0708 1-2

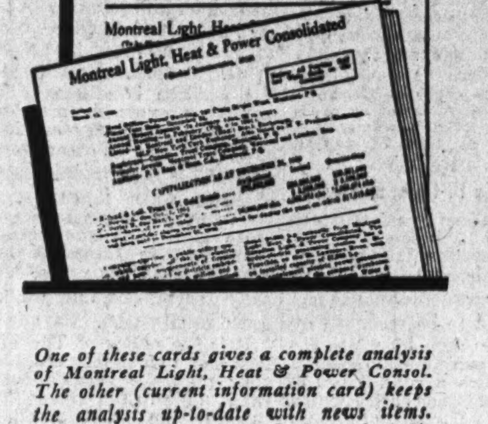
	Reichsmarks	Belga	Yen
Gold par	$0.238	$0.139	$0.498
June 6 ..	0.3106	0.1833	0.2875
June 7 ..	0.3121 1-2	0.1851 1-2	0.2903
June 8 ..	0.3124	0.1852	0.2805
June 9 ..	0.3125	0.1855	0.2830
June 10 ..	0.3146	0.1880	0.2330
June 12 ..	0.3196	0.1898 1-2	0.2390

The Dearness of Cheapness

—a message to financial and investment executives

CHEAPNESS is not the basis of saving—it leads, inevitably, to waste and inefficiencies which result in costly errors. Far more important than Cheapness is Value. While the original cost of sound values may seem more, the ultimate cost is less as dependability, quality and service are secured.

Value is true economy—Cheapness, in itself, is false economy.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SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

Vol. XXVII Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, JUNE 17, 1933 10c a Copy; $5.00 a Year No. 24

Task of Education to Give Economic Intelligence to Democracy

Nations Cannot Have Economic Golden Age In Stone Age of Economic Thought, Says Statesman

An address delivered by Sir Josiah Stamp to a special convocation at the University of Toronto

It is a platitude to say that we are living in critical times—critical, because the problems have been held up while we discuss them.

So many of the problems of the past have, perhaps, improved while they were being discussed, but those of the present have been deteriorating while they are being discussed, and sometimes because they are being discussed, and so we get into what is expressed in up-to-date journalese as "the vicious spiral." We find conditions and situations, manageable under ordinary circumstances, get altogether new relations and proportions and require even dangerous remedies. We also find if we do nothing or try only small doses of remedies, we may not be acting for the best. And then we know that the forces to be controlled often lie beyond the boundaries of our own nation and affect vast populations.

Yet we have not yet invented a satisfactory international control over these economic matters. We have hardly invented a satisfactory means of international enquiry into situations, so say nothing of executive action.

National Boundaries Obsolete

Science has been making, so rapidly, all our national boundaries obsolete. This is especially true in relation to minerals, so universally required under modern conditions, but arbitrarily distributed by nature in relation to natural boundaries.

The history of economic progress has no relation to political areas. These areas are becoming more instead of less insistent in their claims to regulate these matters. The world has become internationalized by a network of established export industries, made for and dependent upon foreign markets created by large overseas investments which require the transfer of goods in specific directions to liquidate them, and by financial obligations, which either do not correspond with the national economic flow of goods or else the natural flow is politically impeded.

Small wonder the times are critical. Does academic life flow on, serene in the studies of human living, obviously necessary, or has it a new, an increased responsibility, a special mission in this emergency? One is bound, if one is in any position of responsibility to be profoundly sorry for the young people emerging from our universities into life at a time of such difficulty and depression. It is an intensely personal problem and one's regret is that there is such an extraordinary absence of opportunity and situations to which they may go. That, perhaps, in many respects, is one of the most depressing features of a depression—that it gives the optimism, the vigor and the vim of youth so dismal a start.

Inheritance of Youth

We would have liked to look upon this situation: that those in middle life and in responsible positions could pass over the actual machinery to these young people and say, "Here is an excellent machine, in good running order. I commend this to your care. You are a good deal luckier than I was when I started. Not only do I hand you a machine running beautifully; I have elaborated, by experience and otherwise, a fine set of rules and precautions that will put things right if they go wrong. Learn those rules and you will be spared much trouble." Instead of that pleasing prospect, I am afraid the seniors have to say, "Here is a complicated machine. It is hopelessly out of order. I don't know how to get it right. You must tackle it." What an inheritance! What a gift!

"In the second place, the machine is not only out of order. I have no rules. My experience has led me into this pass"—experience, stated by Coleridge to be the strong light of a ship, lighting the track over which you have passed.

And so we find that experience is rather at a discount and the practical man is looking around, rather at sea, because all his rules and regulations that he has learned to rely upon as landmarks by which he judges are all set at naught—they are all out of place. The practical man has been advanced as the man who practises the theories of thirty years ago. No one can cope with modern situations unless he has a basic capacity for thinking out new principles. This is a transitional age and the transitional ages are truly the great ages if the people in them are great.

Problem Threefold

The problem is threefold: First, the machinery of control and direction. That is the political form of society which we are watching with such care. Second, there is the mental or intellectual quality of leadership and, if I may coin a word, "Followership"— both are involved. And a third, and very important—the moral consistency of the material that is governed.

In all of these the academic responsibility and opportunity is, today, tremendous. In the first instance, the problem of recovery and regaining balance is mainly an intellectual problem. It should give place and give way and ground to trained intellect and sustained research endeavor.

In the second place, when it has recovered, the sustained running of this world is also, in addition, a highly intellectual problem.

In democracy, we have in its various forms in different countries, mainly forms designed for solving a different order of problems from the economic—those problems that have emerged as great historic deciding questions in men's minds in the past. These democratic forms, in the past, have been ideal for the leisurely working out of the problem of religious and personal liberty, the franchise, communal expenditures—indeed, all the problems that do not get worse by waiting and deliberation. But it is less effective in the present stage of popular education for correct action in foreign affairs or matters with international reactions.

Importance of Economics

Most problems—most moral problems—are economic at the bottom and most economic problems have now an international character.

I walked into an Embassy in a country I cannot mention—a foreign nation that I must not speak of at a time dangerous to allude to (laughter). One of the higher staff said, "All diplomacy is going to the dogs; when I started my training, the whole matter was simple—we studied the balance of power and various diplomatic questions, but now, everything we touch reverts to rigid economics—the black magic—and I have to say if the country is going to keep the present level or to right the balance of trade" — and he pulled what remaining hair he had in desperation.

But it is only when we penetrate beneath the surface that we can see the real position of democracy in relation to our economic problems. Economic problems have so much of what is superficial and which is so different from the underlying realities that unless one can penetrate the surface of matters of the realm of money, one can never reach any truth about it. So often the personal interests or the interests of an individual industry, or the interests of a particular locality are not identical with the interests of the whole country, still less with the whole world. No one voter can tell the whole story without much study.

Public Viewpoint

I have only to look at such problems as the division of the products of industry. Some consider that the proportion of the cake should be increased from X to Y per cent. They forget the influence on the whole cake—that the larger the slice you get, the smaller the cake becomes. It is far better to have ten per cent of a thousand, than twelve per cent of eight hundred. These larger facts of local action are missed by any merely intense local vision, however fair-minded it may be.

Then these problems involve another difficult thing for the average man—weighing the future against the present. How heavily the present scores! How desperately we can rob the future if we are not careful! And it also involves weighing two different aspects of life—medium returns, with regularity, against high rewards with variability. It involves, too, a knowledge of principles for the interpretation of facts. We have facts enough in our newspapers—or alleged facts—but who can do anything with a few facts if they have no principles on which to analyze or interpret them?

Broad Vision Needed

A correct knowledge requires a larger range—I speak with great respect—a wider range than adjustments in any other sphere, because it requires a balancing of facts which are constantly changing and often skill is required until that fact is revealed. It also requires a weighing of psychological influences which vary widely in different countries and ages.

You may try to reduce to a mechanical question what will happen if you reflate. Well, it will be quite different, you may be assured, in France, from what it would be in the United States, depending on that intangible mass psychology, the response of the people.

If these are characteristics of economic government, it is clear why governments fail to give satisfactory results: first, the legislative judgment does not understand that you have to merge a vast mass of people, each understanding a small portion, and this collective mass of thought may be deceived by appearances overborne by the most obvious facts but not the most pressing ones. And then, again, in the modern state, it is quite possible that no overwhelming vote may be registered on which drastic action may be based—perhaps the most difficult of all. Action cannot be decisive if everybody is to take part in deciding it—if all are to say which way the vehicle is to go. The problem may be one of general interest, subject to deterioration, such as the topic of the credit of a country. Why, to discuss the credit of an institution or a country is like mentioning or discussing a woman's reputation— even to talk about it at all is certain to do it no good. And a very weak compromise of interest may emerge from the process of the ballot box—it may be completely ineffective as a policy.

Democracy Ill Equipped

We have, therefore, to face the fact that democracy is not well equipped for the solution of economic problems. Apart from this problem of immediate recovery which is pressing on us today, the chief underlying problems for the governments of nations now are the balance between individual liberty and social direction. We have most of us, in the background of our mind, or in the fibre of our thought, a philosophy of freedom. Now, we are constantly putting larger and larger patches of social regulations on the torn garment of personal liberty.

At the other end of the scale, we have the Russian experiment. They are putting, in order to achieve some kind of success, larger and larger gussets of personal liberty into the straight jacket of economic communism.

In the second problem, it is necessary for existing governments to give up certain aspects of national sovereignty to international direction in economic questions, if the world is to get the best from its resources. International sovereignty is asserting itself in all directions. The problem of giving up something for the common good of all is acute and pressing.

Monetary Problem

Third, we have the baffling problem of the measure of value—the monetary problem which involves so many fallacies—what to do about money — what its real function is as a medium of exchange—whether it shall remain constant but reflect, more or less purchasing power; whether it should be adjusted, or something else made to give way. It is an unwelcome fact that the attempts to move money or gold about the world, unless it really means moving goods for which they stand, is bound to end, sooner or later, in some kind of economic disaster. This problem of money lies at the root of half of our troubles today. It is known to all of us, however casual our study of political economy may be. It is known as the medium of exchange, as a measure of value, as a means by which we get our goods exported. To resort to barter and pay for a tram ride with an egg and a half, or to pay for a cow with a suit of clothes, is most inconvenient.

It is also a store of value. If we wish to have purchasing power in any direction, we do not like to keep it in the form of special articles which are not acceptable in all directions. We feel, if we have money in the stocking, in the teapot or in the chimney, we have a store of value that we can draw on at any time. Money is a measure of value; it enables us to say what a thing is worth, not in terms of other things, as in bartering you would have to say that a pound of butter was worth say, six dozen eggs, today. It is necessary to have a common measure of value. What we do not usually recognize is that money performs two functions—but not together. When money is being used as a store it is not serving to exchange goods, so its whole use is not really as a measure of values. It is divided in its uses. You cannot possibly measure a yard with a tape measure if a large portion of the measure is in your pocket.

Effect of Uses of Money

A curious thing about money as a measure of value is that the measure is absolutely dependent on the way the first two uses are shared in the field. If money is being used as a store and only to a minor extent as an exchange, then the measure of value will turn out quite different from what would result if it were used less as a store and more as an exchange.

Now, I have done the utmost violence to the feeling of every economist present. But I have tried to put it in a way to show that we are trying to do three incompatible things. This money problem, is a baffling one. It is also bound up with psychological and emotional elements and upon its solution depends the whole possibility of a competent and a highly organized civilization.

It will be brought to a severe test in the forthcoming World Economic Conference. That conference may fail from any one of some five or six reasons. First of all, the undue persistence of political nationalism in an economic field; second, the inability to suffer any local disadvantage or disability for a common good; third, the inability of many nations to liquidate the past—the great mass of contractural agreements and obligations, which are overloading us and are so out of relation and out of proportion, and the conference may fail for that reason.

There is also a genuine difficulty among people of great will and great mental power to get a common view about the gold standard.

Economic Facts Must Prevail

And it may fail because of human reactions on the part of the people who have to implement and stand behind the decisions. It is quite true that in the end economic facts must prevail, whatever you do or think, but in the short runway people think about facts, probably more important to themselves than the real problem.

If you think a credit machine is unsafe, it becomes unsafe from the very fact that you think it unsafe. You will run as fast from a dog that you think is a wolf as you would from a real wolf and any risks that are attached to the running which may result in your falling and breaking your neck are present in both cases.

There is a very definite difference between the problems of economic science and those of the other sciences. One can see, looking back into the fields of science in invention and industry, periods when immense strides were made in a few years—in physics, in chemistry and in biology—each one having a period when first class minds had gone into them with tremendous zest and had reaped terrific harvests of progress.

We say, "Why not that in economics? Is it not time we turned for a moment and concentrated on economic problems in every direction with the highest types of mind and endeavor to reach a golden age.

But we can never have a golden age of economic life in a stone age of economic thought. Is it not time to focus on the problems intensively in a wider field and work with others for an advance in this field as has been made in every other science?

Economics Unlike Science

In other sciences you have this curious effect: that the achievement of a single, brilliant brain may raise the standard of life of millions. Insulin was discovered by the concentrated effort of one or two people, but what millions are going to benefit by it! They enter into an inheritance straightway and all enjoy it, and you can count, in the last 10 or 20 years, hundreds of discoveries made by a few brilliant brains that the whole world now enjoys.

It is not so in economics. You may have the most brilliant brains with their theory developed, but unless democracy is ready to understand and adopt it, you cannot raise the standard of life of millions.

What is the position of education in all this? Its place in this scheme ought to leap to the eye. The time has gone by when we say that education is the inculcation of the incomprehensible into the ignorant by the incompetent. It now demands larger quantities of judgment and frequently pumps directly in the face of facts. Whitehall said, "Wisdom is pure truth, with a deeper understanding of the importance of its omission."

Mr. Baldwin told me the other day of a certain brilliant young don at Oxford who said that man was not made, not begotten—just educated.

The education of the individual, apart from the increase in the contents in store and the progress of knowledge, had, formerly, a single main purpose and on a high plane —to make a better citizen and a more competent worker.

Tasks of Education

Now, it has a threefold task. It has to do that and it also has to make a better government, inasmuch as he is to control by democracy, vast issues beyond his personal ken. He must, therefore, know how to judge facts right outside his own field and the technique of many kinds of proof, or kinds of men who may be entrusted with it. Education has a further task because it has to meet the new problem of leisure, which our modern technocrat advances, enabling men to satisfy pure commodity wants with less and less expenditure of time and in smaller portion, altogether of the twenty-four hours.

In the last hundred years the commodity standard has increased fourfold in a much shorter working day. We do not suppose that the difference of time can be taken up in production and the addition of entirely new commodities. In that case there would be more produced without increased time or liberty to enjoy them. What is the use of having houses full of new commodities if we worked as they worked a hundred years ago, and have no time in which to use them? But leisure is coming now and it is just as real in its ability to satisfy human needs as any commodity. We must get out of the habit of believing that every hour released by science must be re-engaged for new use. We cannot solve the problem by doing as we are at present—employing some people all day and others not at all. We cannot solve it by reducing the money wage on the part of those employed in order to find employment for the remainder.

Education for Happiness

When we do find equilibrium, the third task of education will stand here—the making of a better producer or citizen, and the creation of a happier age.

Education enters academic life when the student tackles the task of learning the technique of proof and evidence for the different classes of fact, instead of stumbling out of a law school and trying to apply the laws of science to theology and vice versa—when he realizes that different kinds of truths must be applied to different kinds of sciences. When certain facts develop his intellect finds some judgment. I read the other day that the real complexion of the individual is the focus of his power in any situation in life.

So the problem for the rising generation has so established that essential trinity—the democratic, the economic, the academic. And what the university has to give the emerging graduate is a map of life and a disciplined, restless curiosity to share it. It is the greatest gift of a university. If there are any young men or women here, may I say to them: Life is a perfectly wonderful thing, so long as you don't take things for granted. We want peace in our own souls and a sense of obligation to others. This modern problem is largely created by masses of human beings, fully aware of the advantages to be derived from communal life, but very impervious of their obligations to it.

John Stuart Mill has said, "One person with a belief is a social power equal to ninety-nine who have only instincts.

Delusion of Stability

And the university has a delusion to cure—the delusion that life and society are naturally stable with fleeting periods of change that have to be adjusted. Why, in the very accommodation to change without destruction lies a logical technique of its own. I do not mean to suggest that unsettling is progress or that all motion is progress. There is such a thing as motion alone, as well as motion with progress. There is the delusion that the onus of justification is always on the side of change and that to do nothing about anything is quite right, unless somebody can prove the contrary. If ever those delusions stand exposed, they do today.

So the task of academic life is to justify that penetrating remark of Robert Brydge when he said, "Stability is but balance. We are engaged in the masterful administration of the unforeseen."

Strangest Struggle of Decades Brought Parliament to Close

History records that Parliament was formally prorogued by His Excellency the Governor-General, on Saturday, May 27, with all the pomp and panoply of clattering dragoons, plumed generals, statesmen in Windsor dress accompanied by the booming of cannon. But the exact hour at which this honored ceremonial was emblazoned upon the records of the highest court in the land was a result of one of the greatest battles in the annals of Parliament.

Ministers and members were at their wits' end to find some honorable way of finishing the debate on the Redistribution Bill. All honor and regard had been discounted. What then? There was needed some universal, even patriotic impulse surging from the hearts of ministers and members to bring harmony in discordant breasts.

Birth of an Idea

A member of the ministry sulking in the sunlight of his office had his apparent serenity disturbed by a physical attack from an unknown quarter. Wounded in the forehead and bending beneath many blows, he faced a massed attack on all sides. Anger came first, then indignation. Why were windows opened to such a foe? Why no screens? Why should not somebody have poured oil on the troubled waters of the Ottawa River? This last thought leaped into a grand idea. Eureka! Here was a plan which would cause Parliament to prorogue in double quick time. Quickly the edict went forth to open all the windows on Parliament Hill.

Immediately and as if directed by a General Staff, the unknown enemy descended by sections, platoons, squads, battalions and brigades on Parliament House. It attacked angry members arguing with patient ministers about the boundary of this county and that. The trend of many an electoral argument, supported by emphatic gestures was disturbed as ministers and members sought to protect themselves. It is on record that the enemy patrols penetrated even into the hallowed precincts of the Commons and outraged the solemnity of the Senate. All but 17 Senators had fled!

Cries of "Prorogue! Prorogue!" were heard within the ramparts on Parliament Hill. The morale of the defending forces fell, rapidly minute by minute. Final surrender came at 5.40 p.m. At 8 p.m. the Governor-General gave a splendid example of stoicism by sitting through 15 minutes of waiting for the Commons while they applied citronella to their injured parts. No Parliament was ever prorogued in such record time. After a few words, the Governor-General moved at the quick march to his carriage.

One of the greatest institutions in the British Empire had been routed, dispersed and prorogued by his majesty the mosquito.

Wheat Now Bonused 5c Bushel on Canals; Tolls Would Remove Taxpayer's Burden

Can Canada's $200,000,000 canal system be made to pay?

At the moment our canals lie free and open to all-comers. Not a cent does the Government ask of canal users to pay even out-of-pocket maintenance charges let alone attempt to pay mounting interest and amortization costs.

The question of canal tolls in Canada is of major importance as a result of the action taken by President Roosevelt in exploring the possibilities of a reasonable tonnage tax on all shipping using federal inland waterways. These waterways normally cost the U. S. Government over $80,000,000 annually for mere out-of-pocket expenses of maintenance and repairs. If the Roosevelt plan materializes it removes one of the major objections to imposition of canal tolls by Canada and means that Canada and the U. S. can act in unison on this important international matter.

It has been shown (The Financial Post, June 3, 1933) that the net cost to the Federal Government of our present system is about $12,000,000 annually. This includes interest charges of 4 p. c. and a 1 p. c. amortization fund to retire the capital debt in 41 years. The $12,000,000 will probably increase by about $2,000,000 annually now that maintenance charges on the new Welland Ship Canal are to be taken care of, but as this increase will doubtless be matched by a corresponding or perhaps even greater volume of traffic as the canal develops, the present ratios of tonnage to cost of operation are a fair basis for analysis.

Traffic Volume Versus Cost

Traffic on Canadian canals last year reached a new record peak at almost 18,000,000 tons. Volume has been increasing steadily since 1929 in spite of depression rigors. A conservative basis for analysis would seem therefore to be at least 20,000,000 tons annually when business improves. This quite apart from expected increases arising from development of the new Welland Canal.

Here then are the two sides of the equation. An annual volume of traffic conservatively estimated at about 20,000,000 tons. Expenses to be met of $12,000,000 to put the property on a commercial (but non-profit) basis. Putting these two together it is seen that a charge of 60 cents a ton would meet present day costs of operating our canal system.

Comparison With Other Canals

How does such a charge compare with canal tolls on other leading canals?

On the Panama Canal—a federally-owned U. S. property which returns 3 per cent on capital investment to the Government — tolls are $1.25 a ton on laden cargoes and 72 cents a ton when ships pass through in ballast. The average net charge is slightly more than 98 cents a ton.

The Suez Canal which has always been operated on a profit basis, charges twice as much for laden ships as for vessels in ballast and the average toll is $1.20 per ton. The Manchester Ship Canal has a rate which varies according to what the traffic will bear but the average is probably about 26 cents a ton. When canal tolls were last charged in Canada the rate was 20 cents a ton for cargoes, with a small tax of between 1½ and 3 cents a ton on all vessels whether freight or passenger, laden or in ballast.

A tax of 60 cents a ton on shipping using the Canadian canal system seems reasonable therefore in light of similar charges on other big canals. Another obvious test would be the question "What will the traffic bear?"

Wheat is Biggest Item

Wheat of course is the most important item carried over Canadian canals although its importance in statistics is magnified because the bulk of individual wheat cargoes use two or three canals on their way to the ocean and thus appear several times in total statistics. A tax of 60 cents a ton would mean an impost of roughly 1.7 cents a bushel. But if a wheat cargo passed through the Sault, Welland and St. Lawrence Canals it would pay three tolls or a maximum total of roughly five cents a bushel.

With lake freight charges currently hovering between four and six cents a bushel from the lake head to Montreal, such a toll would increase wheat costs by 100 per cent. On this basis therefore a five-cent toll is probably more than the traffic will bear. However, the figure is highly illuminating when it is remembered that it gauges precisely the amount by which the Federal Government bonuses every bushel of grain which passes through the three canals on its way to the ocean.

Suppose then such a toll is more than wheat traffic can reasonably be expected to bear and that Canada would be justified in making an exception in the case of wheat since it is a basic and major item in our national economy. Any adjustment on this basis would naturally be more or less arbitrary but it will serve the purpose of exploring on a dollars and cents basis the pros and cons of canals tolls.

Over the past 10 years the average freight rate on grain passing through the entire lake-to-ocean system has been 8.3 cents a bushel. In light of this figure it would not seem unreasonable to suggest that wheat be charged a maximum toll of two cents a bushel irrespective of how many canals were used. The corresponding flat rate at each canal would be one cent a bushel charged at any two canals. If wheat which had passed through the Sault Canal were subsequently to pass through Welland and the St. Lawrence no toll would be collected at the latter. This flat rate would represent a reduction of about 60 per cent from the suggested tax of 60 cents a ton or 1.7 cents a bushel, needed to make canals pay their way. Precedent for such a plan is found in the original toll schedules charged on Canadian canals prior to 1902 where allowance was made if grain used both the Welland and the St. Lawrence systems.

But if revenue were to be sacrificed on wheat, and canals are still to be made self-supporting a slightly higher charge would have to be levied on other commodities. Without going into details it is found that to achieve this goal it would be necessary to charge approximately 80 cents a ton on all other commodities to meet the requirements already enumerated, namely payment of maintenance and repair charges; 4 per cent on the capital investment and 1 per cent for amortization.

Cold Unpleasant Canal Facts

These then are the cold and rather unpleasant financial facts of our canal system in Canada. They set out the position as any well-run business would require if it were engaged in such an undertaking. Unfortunately they are facts that have never been seriously faced or questioned by any Government in Canada in the past two decades. Millions upon millions have been spent year after year on free canal systems without any thought given to ever receiving back a dollar on our investment. If the same policy were to be adopted in regard to railways and highways the C. N. R. would not charge a dollar for any freight it carries and motorists would not pay a cent in license or gasoline tax imposts.

Evidence is not lacking that the Canadian Government is in a more receptive mood on the matter than it has been for many years. The matter was aired recently in the House of Commons (February 10, 1933) when Ian Mackenzie, M.P., drew attention to the heavy interest charges which Canadian taxpayers were being called to bear in connection with our canal system and also to the fact that shipments of Canadian grain from Vancouver to the Old Country were taxed at the rate of $1.25 per ton for laden cargoes and 72c. for ships in ballast.

Dr. Manion States Canada's Position

In his reply, Dr. Manion, Minister of Railways and Canals, stated the question had not come before the Government in a definite manner and indicated that one stumbling block was the need of an international agreement before any tolls could be imposed. Expert opinion indicates that Dr. Manion was in error on this latter point for, as pointed out in a previous article, there is apparently nothing to prevent Canada reimposing tolls on her canals at any time, provided Canadian and U. S. ships receive equal treatment. Furthermore since Dr. Manion's statement, President Roosevelt has definitely indicated his desire to place a reasonable tax on all tonnage using federal inland waterways in the United States. Dr. Manion's reply to Mr. MacKenzie was as follows:

> "The matter of tolls has not been considered by the Government, because in 1903 all canal tolls were abolished by agreement between the governments of the United States and Canada. Up to that time tolls had been charged. It is true that tolls are charged on the Panama Canal. Any change in the present arrangement, however, would have to be by arrangement between the United States and Canada and it is possible that the United States would not agree to a change.
>
> "Then, too, if tolls were charged on the Canadian canals there would be the danger of sending through the United States ports a much larger proportion of Canadian grain than now goes through them. Up until recently from a quarter to a third of Canadian grain had been shipped via American ports. If shipping tolls were charged on Canadian canals the shipments through American ports would certainly be increased. Then there is this further point to remember, that the best canal at the Soo is the American canal, and is used by Canadian boats. In ordinary times the Soo canal carries more traffic than any other canal in the world. It carries two or three times as much as the Panama or Suez. By far the greater proportion of the traffic goes through the American locks.
>
> "I am prepared to admit that canals present a complicated question, and there are reasonable arguments on both sides. I notice that a financial paper of Canada has been waging an extensive campaign on behalf of tolls, and there is another argument from the standpoint of the railways. I should not like to commit myself, however, because it is not a question which has come before the Government in a definite manner, and as I said before, in any arrangement which could be made there would have to be an international agreement."

In addition to Dr. Manion's remarks, the argument was also raised that American coal was being transported without charge through Canadian canals which costs the Dominion great sums of money. One member stated: "Canada is practically subsidizing every ton of American coal which comes into Ontario or Quebec by offering free passage through canals which cost us about $300,000,000."

St. Lawrence Treaty Is Further Factor

If further evidence was needed for urging a revision of Canada's free canal policy it is found in the probability that the St. Lawrence Deep Waterway Treaty may shortly appear for ratification. It is a glaring omission that no real study has ever been made to determine the soundness of this project on an economic basis, from Canada's point of view. And as long as Canada continues her policy of providing free canals there is no need for such a study. If Canada spent $130,000,000 on the new Welland canal to provide free navigation to domestic and foreign vessels, why question the spending of a few more millions to complete the route?

The purpose of this and previous articles is to indicate the absurdity of this policy of free canals and to urge the reconsideration of this matter by Canada, jointly with the United States, before a further commitment is made in respect of the St. Lawrence Deep Waterway.

This is the last of four articles outlining the historical and factual position of Canada's canals. This study is particularly pertinent at the present time in view of the investigation now under way by Franklin D. Roosevelt to explore the possibilities of a federal tonnage tax on all vessels using inland waterways in the U. S. A.

Economist Attacks Industrial Programme

Dr. Anderson Jr., of Chase National Bank, Sees Roosevelt Planned Economy as Impracticable — Too Rapid Application May Lead to Chaos

The Roosevelt programme of planned economy, as expressed in the National Industrial Recovery Bill, has an opponent in Dr. Benjamin M. Anderson, Jr., economist of the Chase National Bank, New York. At a dinner, given in honor of Sir Josiah Stamp, British economist, Dr. Anderson criticized this bill that it aimed to increase employment and wages and hasten recovery through prevention of destructive competition in business. It is proposed to achieve these ends by giving President Roosevelt emergency authority to approve codes of fair competition submitted by industries agreeing on wages, hours of labor, production quotas, etc.; to impose codes on non-agreeing industries; enforce codes and set aside anti-trust laws as far as they conflict with approved codes.

Enforcement of the provisions of the National Industrial Recovery Bill can be expected to affect Canadian industry in some degree; particularly the newsprint industry and other manufacturers who share in the United States market. Dr. Anderson's criticism of the bill, therefore, has some interest to Canadian banks and industries.

Foresees Chaotic Conditions

Dr. Anderson claims that in general it is not the function of government, under the present system, to produce goods or perform economic services. The actual production direction of industry is left to the independent producers who make their decisions with reference to the state of the markets. Under this system of free private enterprise with free movement of labor and capital from industry to industry, the tendency is for an automatic balance to be maintained and for goods and services to be supplied in right proportions.

The Roosevelt plan would require a central management brain of supernatural capacity, in Mr. Anderson's opinion. It would require a sound money that men could trust. Economics would yield to politics. Economic planning cannot be done on strict economic grounds and involves political compromises and the conflict of political purposes which will make the plan an economic disharmony. There will be conflicts among different trades, steel wanting higher prices, railroads lower prices on rails. Unless the new powers desired by the administration are used with greatest caution and their application is extended very gradually it is feared that chaos may prevail.

Mr. Anderson's comments on the Roosevelt plan, in part, are as follows:

"This system obviously predicates a sound money which men can trust," he said. "The success of this system, moreover, depends upon its flexibility and the quickness with which readjustments can be made, and this, in turn, depends largely upon the extent to which it is competitive and free from unified conscious control. If a government of a collective system undertakes to regulate the business of a country as a whole and to guide and control production, there is required a central brain of such vast power that no human being who has yet lived, or can be expected to live, can supply it. When millions of people are working, each at his own special problem, studying his own special market, making his readjustment piecemeal, under the guidance of market prices, the problem is manageable. If a central brain must do the thinking for all of them, chaos is inevitable. Great mistakes are made and these mistakes are carried much farther than would be possible under the competitive system, controlled by free prices.

"Here then is the central contrast between our present system and a planned economy—in the problem of co-ordination the economic activities of men and making a social order. Our present system relies upon the unconscious automatic functioning of the markets. A controlled economy must do it, if at all, by conscious public planning, a central brain guiding, controlling and regimenting the masses of men controlling production, controlling consumption, controlling the distribution of wealth and in a large measure, regulating the lives and activities of men.

Is Impossible Task

"If we wish revival without an early relapse into chaos, I do not think we shall go far with the advocates of the planned economy. They cannot make a comprehensive plan. The ablest and best trained brains, given unlimited power, could not do it. The ablest students of economic theory can, for a little while, at times when their energies run high, see in theoretic outline, in schematic outline, an abstract picture of the economic order. The concatenation of prices and costs, the inter-relation between the industries, the international inter-relations, the relations of capital market, money market, securities market and industry—there is a body of economic theory dealing with these matters sufficiently definite and sufficiently clear to enable us to reach some very important practical conclusions regarding public policy. But to put flesh and blood upon this abstract skeleton, so as to make it a thing adequate for conscious control of industrial life, is an impossibility.

Canadian Textile Firms Look Forward to Improved Operations

Restricted Earnings General Experience Textile Operators

Many Problems Before Industry in Last Year

PICK-UP IS NOTED

General Betterment Seen Lately With Operations on More Extended Scale

Low prices for fabricated goods, unsettled currencies, Imperial Economic Conference at Ottawa and smaller consumption, left their mark on the individual textile operator in one way or another over the past year.

All branches of the industry experienced setbacks. If it was not falling prices, then it was lower consumption. All had to face tariff problems. In the majority of cases earning power was depleted and capital returns were probably the smallest in a number of years past.

The cotton textile group, as the major division of the textile industry had had more than its share of public attention in the last two years. The compactness of this group, both from the point of view of financial control and operations, made it the special target for criticism.

Public relations of this division have not been altogether satisfactory. There are many reasons for this state of affairs, but the principal one is the lack of understanding exhibited by the manufacturers to the value of placing their case before the public in a simple and understandable way.

Need Tariff Protection

It is no secret to say that the cotton textile industry could hardly survive without tariff protection. Many other Canadian industries are in the same boat. Constant pressure has been exerted on Ottawa by the operators for what they regard as adequate protection.

One of the major changes in the cotton tariff schedule took place in 1930, when the Government gave the industry a larger measure of protection than had previously existed. This action brought in its wake a great deal of criticism from certain sections of the press and the public.

Bone of Contention

It has been contended that the industry was given too much protection; in other words, manufacturers in other countries, more especially the United Kingdom, were unduly handicapped in competing with the domestic companies and thus to the detriment of the consuming public.

Much of this adverse criticism could have been forestalled or minimized had the industry carried on a campaign to inform the public of the reasons on which they based their claims for an increased tariff. This was not done and the manufacturers now find considerable difficulty in combatting the many misconceptions which have been created in the minds of the public.

English Take Advantage

Lancashire and other English cotton textile people have not been slow to take advantage of the poor relations existing between the Canadian group and the public. Prior to the Imperial Economic Conference at Ottawa last summer, the English group conducted a skilful propaganda campaign along the lines that the 1930 budget changes prevented them from competing against the Canadian manufacturers in the Dominion market.

Conferences were held between the two groups to determine what concessions could be made to further Empire trade. The steel, chemical and other groups arrived at amicable arrangements, but not so with the textile interests. The Lancashire and Yorkshire cotton people set down an arbitrary figure as to the size of the Canadian market and what concessions they expected. Canadian producers disputed the representations of the English group and the final outcome of the negotiations was that the English group sailed for home without an agreement and leaving behind the impression that the breakdown of the negotiations had been due to the selfishness of the Canadian manufacturers.

This was far from being the case, but the English had got their propaganda under way first, so that subsequent denials and the setting forth of what had actually happened at the meetings were of little value to the Canadian group.

Bargain on Textiles

With the opening of the Economic Conference last summer the textile situation had become the crux of the negotiations between the United Kingdom and Canada. All parts of the Empire were expected to make concessions to the end of furthering Empire trade. As between the United Kingdom and Canada, the most fertile field existed in the textile division. Practically one third of the British exports to Canada consist of textile goods. Limited possibilities existed for development of other media of trade.

Other industrial groups, moreover, had arrived at an understanding prior to the conference. Discussions naturally centred around the concessions Canada would make on textiles in order to meet the demands of the United Kingdom.

Set up Tariff Board

The Canadian Government agreed to make certain concessions which would not jeopardize the position of the Canadian industry. It was further agreed by Canada to set up a Tariff Board which would judge on applications from British or Canadian manufacturers who were of the opinion that existing tariffs did not permit of fair competition.

One of the first applications to come before this newly constituted board is one of the British woollen manufacturers who claim that the present tariff schedule does not permit of fair competition. It is expected that the Lancashire and Yorkshire people will put forward a similar claim.

Improvement Recorded

So much for the political side of the textile operations. Until of late manufacturing operations have been somewhat slack. In comparison with other industries, however, production has been well maintained. Marketing conditions have been highly competitive. The low prices prevailing over the past twelve months have limited the margin of profit. This in turn has limited earning power of practically all the textile companies. Many have had to reduce, and in one or two cases eliminate, dividends on their capital stock.

The conservative financial policies adopted in years past enabled the textile companies to build up strong financial positions with adequate reserves. These reserves have enabled them to carry along through the past two years without unduly impairing their working capital.

The drop in raw cotton prices, which did not show signs of stabilizing until last year, caused inventory losses. Financial statements for the past year indicate that the companies have written down their inventories to a very low point. The recent rise in values, therefore, has greatly added to the value of inventories. With an increase in consumption, the textile companies are in a position to effect a rapid restoration of earning power.

Depreciated value of the English pound sterling has also been a problem to the Canadian textile industry. The institution of a dumping duty and a fixed valuation of the pound did much to restore a full measure of protection. The recent rise in the value of the pound, however, has tended to automatically adjust this situation.

Judy O'Grady Spends Lavishly on Hosiery

Canadian women spent nearly $7,000,000 on silk hosiery of Canadian manufacture in 1931. Added to this the value of hosiery imported from other countries, and it will be found that over $10,000,000 was spent in order to prove, outwardly at least, that Judy O'Grady and the Colonel's lady are sisters under the skin.

The menfolk are not so particular, however, for the Dominion Bureau of Statistics' report on the hosiery industry shows that they prefer the ever-satisfying wool sox.

Cotton hosiery still finds favor with both sexes, for this was the fourth most important product produced by industry in 1931, both as to quantity and value. Artificial silk hosiery production has come ahead rapidly in recent years in meeting the in-between demand, this type ranking third as to value and quantity in the list of products turned out by the hosiery industry.

Textile Industry Means Much in Quebec's Economic Life

This fine aerial view shows the Dominion Textile Co.'s, plant at Montmorency Falls, near Quebec City. It is one of the most modern cotton textile plants in the world and is typical of other plants in Ontario, Quebec, New Brunswick, Nova Scotia, Manitoba, Alberta and British Columbia, in which the capital investment amounts to over $80,000,000. Added to this the capital invested in the woollen, silk, hosiery and knit goods, the Canadian textile industry represents an investment of well over $100,000,000. The annual value of production exceeds $75,000,000 and work is provided for many thousands of skilled operatives, to whom an average wage is paid higher than that prevailing in any other major textile producing country in the world.

SILK TRADE SHOWS SIGNS BETTER TIMES

Industry Has Amazing Growth in Last 16 Years

LOW VALUES HURT

Drop in Raw Silk Values Causes Heavy Losses — Recent Strength Will Help

Even the newsprint industry in its heyday was not able to record as great an expansion as has taken place in the silk industry over the past sixteen years. Since 1917 the silk industry has registered an increase in the value of production of over 666 per cent. Capital invested has advanced nearly 1,350 per cent. The number of employees has increased by 661 per cent, while salaries and wages paid them have gained 1,367 per cent.

The percentage increase is probably not so impressive as the actual gains. In 1917 the Bureau of Statistics received reports from nine establishments with a capital investment of $2,223,164. Materials used in manufacture had a value of $837,041, while the finished product was worth $2,372,001. Some 824 workers were employed and salaries and wages paid them totalled $392,398.

Capital Over $32,000,000

Fourteen years later, the last year for which complete returns were available, 23 plants were in operation, having a capital investment of $32,205,207. Payrolls showed 6,273 employees and a salary and wage account of $5,758,995. The cost of materials used totalled $6,482,197 despite much lower values, while production had an estimated value of $18,187,492.

The silk industry in Canada is divided into distinct branches, real silk and artificial silk. However, due to the fact that the manufacture of artificial silk is largely concentrated in two establishments, the figures for both branches of the industry are combined as quoted above by the Bureau of Statistics in order to avoid the disclosure of individual operations.

Operations Are Centred

Interest attaches to the fact that operations of the silk industry are confined exclusively to Ontario and Quebec. At the beginning of 1932, thirteen plants were located in Quebec and the balance in Ontario. The former province being the centre of the textile industry in Canada and having many skilled operatives, has been successful in attracting the majority of new operators who have been primarily responsible for the remarkable growth of the industry in the last decade.

Earning Power Hit

Though the census returns indicate a marked expansion of operations, the growth has not been altogether reflected in earnings of the individual companies over the past two years. One mill has gone into bankruptcy, while earnings of the others have been limited to such an extent that dividends on capital stock have been reduced or eliminated.

Low Values Hit Trade

One of the greatest drawbacks to the industry in the last two years has been the rapid decline in the value of raw materials. Losses on supplies and finished goods have been heavy, in fact many companies have had to make important readjustments in their balance sheets to take care of actual and potential losses. Fortunately this state of affairs has shown signs of improvement lately, as commodity values have stiffened up or recorded increases.

The drop in values, however, disrupted marketing conditions. In their desire to cut losses some of the manufacturers dumped their inventories on the market. Further, the public buying power having greatly diminished there developed an insistent demand for lower prices. This demand had to be met by the manufacturers.

Marketing Problems

The readjustment of values on silk and artificial silk products brought the manufacturers' products within the price range of competitive lines. Marketing became more and more difficult, while the margin between production cost and selling price was so narrow that profits were negligible.

This situation was met in part by the manufacturers through the institution of drastic economies in manufacture and distribution. Financial statements of late have reflected these changed policies in that earnings have tended to increase.

Mostly Private Capital

From the public standpoint, there is little investment interest in the silk industry. Of the 21 companies engaged in this line of activity, only 5 have offered their securities to the public. The balance represent branch plants of American, English and French companies, or have been privately financed by Canadians. With the exception of the publicly financed concerns, few make public any details as regards operating results or finances.

From the reports of those that do, representing some of the larger companies, it is possible to follow the trend of the industry. Recent reports of the latter have indicated an improvement in conditions which is taken to indicate a general betterment in the position of the silk operators.

Dobbin Gives Way Before Paper Makers

Not so many years ago the horse was kindly regarded by the manufacturers of felt blankets, as he provided the principal market. Today the producer looks elsewhere for his richest market.

The number of horses in Canada has not declined, nor are fewer blankets being used. But the pulp and paper industry has expanded on such a scale that the value of pulp and paper makers' felt blankets (used in the manufacture of paper) far exceeds that of all other types of felt blankets made in this country.

In 1931 the Bureau of Statistics reports that pulp and paper makers' felts had a value of over $2,000,000, or more than double the combined value of all other types of felt blankets.

MERCURY MILLS

Large Knitted Goods Concern Has Improved Liquids and Reduced Losses

In spite of unprecedented business conditions Mercury Mills improved the liquid position of the company in 1932, current assets of $818,943 being 4.4 times current liabilities of $184,825, or better than at any time since 1928. The operating loss was reduced from $508,085 in 1931 to $381,631 in 1932 and 46 per cent of this was due to inventory revaluations and reserves for outstanding contracts.

The company manufactures a wide range of knitted goods, mainly wool, cashmere and silk hosiery and underwear. Its plants are at Hamilton, Woodstock and Listowel, the latter plant being confined to yarn spinning and dyeing. Bank loans have been eliminated.

Capitalization—	Authorized	Issued
Common	45,000 shs.	45,000 shs.
No par value.		
Preferred	$2,000,000	$1,000,000
Par $100.		

Funded Debt—
First mortgage 5½ per cent bonds Series "A" due 1953, outstanding $1,335,000.

Dividend Record—
Preferred—6 per cent per annum, payable quarterly, Feb., May, Aug. and Nov. 1. Dividend due Feb. 1, 1931, passed; none since.
Common—None paid.

Officers and Directors—
Officers—H. G. Smith, chm. of board; R. H. Hommel, pres.; J. J. McHardy, sec.-treas.
Directors — H. G. Smith, W. G. Evel, Hamilton, Ont.; J. H. Gundy, R. H. Hommel, Toronto; G. A. Dobbie, Galt, Ont.; C. G. Cockshutt, Brantford, Ont.

Earnings per Share and Dividend Record—

	1932	1931	1930
Pref.: Earned	....	....	....
Paid	....	....	$6.00
Common: Earned ..	....	....	....
None paid.			

Five Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	394,508	51,000	426,591
1929	294,548	61,861	491,602
1930	*125,582	62,052	224,711
1931	*123,302	......	†282,982
1932	*39,157	......	†74,997

*Loss. †Deficit.

GOODYEAR COTTON

Markets Products With Goodyear Tire and Rubber Co. of Canada

Goodyear Cotton Co. of Canada, which has been controlled by the Goodyear Tire and Rubber Co. of Canada since 1926, sells to the parent company about 60 per cent of its requirements of cotton fabric.

Its earnings are consolidated with those of the parent company and therefore cannot be shown here. The balance sheet shows that Goodyear Cotton bonds are being gradually reduced through operation of the sinking fund from year to year. These bonds now amount to $1,351,500 and that presents the only direct interest of the public. Even these bonds were not offered publicly but were subscribed privately or taken up by bondholders of the former issue.

Capitalization—	Authorized	Outstanding
Common	5,250 shs.	5,250 shs.

(No par value).
All of the common stock, except directors' qualifying shares, is owned by the Goodyear Tire & Rubber Co.

Funded Debt—

1st mortgage, 6 per cent,	Issued	Outstanding
due 1949	$2,000,000	$1,351,500

$548,500 of the issued bonds are held in the treasury and $100,000 have been redeemed.

Dividend Record—
Common—None paid.

Officers and Directors—
Officers — C. H. Carlisle, pres.; E. H. Koken, vice-pres.; R. C. Berkinshaw, sec.; S. M. Barbour and W. H. Jeeves, asst. treas.; H. A. Tipple, asst. sec.; J. P. Goudreault, mill supt.
Directors — C. H. Carlisle, E. H. Koken, C. B. McNaught, J. E. McAllister, Toronto, Ont.; C. C. Slusser, P. W. Litchfield, S. A. Steere, Akron, Ohio.

Brock Co. (Western)

Brock Co. (Western) has been operated as a branch of the W. R. Brock Co., wholesale distributors of Toronto, for 20 years, but was separately financed in 1928. Its head office is in Calgary, Alta. The company has no funded debt.

Capitalization—	Authorized	Issued
1st preferred	$200,000	$135,000
2nd preferred	100,000	100,000
Par $100.		
Common	3,000 shs.	2,500 shs.
No par value.		

Funded Debt—
None.

Prospects Improved For Higher Profits By Woollen Mills

Demand Better for Fall Lines as Retailers Give Orders

PRICES MOVE UP

Industry Employs More Labor Each Year But Earnings Have Been at Low Level

For the first time since 1929 the Canadian producer of yarns, woollen and worsted cloths, hosiery and knit goods can see possibilities of improved earnings. These possibilities have developed only in recent months, as sterling exchange has strengthened. Only last January and February conditions in the industry reached a low point for the present depression. Since March, the price of raw wool has moved up from 40 to 50 per cent in Canada, while factory prices of wool fabrics have moved up 7 to 8 per cent. In the United States, wool has gone up 100 per cent and prices on some manufactured lines are up as much as 60 per cent above the abnormally low prices that had prevailed in 1932.

Since 1930, Canadian woollen and knitgoods manufacturers have been securing a larger proportion of the business available in Canada. While Canadian consumption has been dropping, the woollen mills in Canada have produced more goods and have employed more labor each year. While this situation has not been conducive to even a small return on capital employed, Canadian workers have been given work, wages and have been kept off relief rolls. Canadian textile mills are located principally in small centres of population, 132 municipalities in all, so that the beneficial effect of increased employment was not concentrated.

Employment Index Up

The employment index of the Dominion Bureau of Statistics, based on 100 for the year 1926, increased to 108.3 in 1932 from 99.2 in 1931 in the yarn and cloth trades; 108.8 from 105.2 in hosiery and knitting trades. This compares with a decline from 102.5 to 87.5 for all industries. In 1932, there were 823 textile factories in operation, as compared with 677 in 1930, a gain of 146, which includes about 80 new factories and 66 factories reopened. Only factories employing 15 employees or over are included. In 1930, there was an average of 80,715 employees in the textile industry; in 1932 the average had increased to 81,617.

Canadian manufacturers of woollen and worsted cloth secured a greater proportion of the Canadian market for 1932 than in 1931 at the expense of the foreign producers. In 1931, the Canadian market for woollen and worsted cloth was 16,200,000 lineal yards, of which Canadian mills supplied 7,300,000 yards, British producers, 6,400,000 yards. With stronger quotations on sterling it appears that Canadian manufacturers may further increase their proportion during 1933. The following figures indicate the ratio of the available Canadian market for woollen and worsted cloth, not including pile fabrics, secured by Canadian, British and foreign producers:

Proportion of Available Market

Producer:	1932	1931
Canadian	4¾ yds.	4½ yds.
British	4¼ yds.	4 yds.
Foreign	1 yd.	1½ yds.

Canada continued, during 1932, to purchase a greater yardage of woollen and worsted cloth from Great Britain than was purchased by any other country in the world, while Canadian purchases also ranked first in sterling values. As long as sterling was quoted at greatly depreciated levels in terms of the Canadian dollar the British manufacturer was assisted in marketing his products in Canada, since he paid less for labor and overhead charges. In order to compete Canadian manufacturers had to reduce prices to an extent that afforded little margin of profit. Recent appreciation in sterling, while it increases the price of wool, aids the Canadian manufacturer in meeting British competition, since the spread in labor costs is reduced.

Outlook is Brighter

The Canadian textile industry is taking a larger proportion of Canada's raw wool production. Of the total wool produced in Canada in 1931, 60.3 per cent was bought by Canadian mills, 39.7 per cent was exported. A larger proportion was used by Canadian mills in 1932 than in 1931. The arrangements made in 1932 whereby the Hespeler plant of Dominion Woollens & Worsteds Ltd. started to comb wool has tended to reduce exports of raw wool. This plant now has a capacity of 3,000,000 lb. annually and is the only one in the Dominion performing this operation. Canada produces approximately 21,000,000 lb. of wool annually, of which 16,500,000 lb. is marketed. Exports of raw wool are down from some 9,300,000 lb. in 1930 to 3,600,000 lb. in 1932.

With price of wool steadily declining in the past two years, manufacturers have been forced to take heavy losses on inventories. At the same time, keen competition within the industry has resulted in factory prices being reduced to a greater extent than the reduction in the price of raw materials. Profit margins dwindled. With improvement in general business conditions and a resultant increase in purchasing power, leaders in the industry anticipate a substantially increased demand for woollen goods. Prices will tend to move higher and, with increased production, result in larger profits. The absence of inventory losses alone will considerably improve the financial position of the industry. Advance orders for fall lines are reported good and lead to a general feeling of optimism in the industry that is the opposite of the pessimism prevailing early in the current year.

Wilton Carpet Leads As Canada's Favorite

Wilton carpet is the favorite of the Canadian housewife judging by the returns compiled by the Bureau of Statistics on the carpet, mat and rug industry production for 1931. In that year over 210,000 lineal yards of this type of floor covering were produced. Next in favor was the Axminster, with an output of 143,000 lineal yards. Though probably as well known as the other two types the Brussels carpet was not in very heavy demand in 1931 for production in that year totalled only 21,818 yards.

In addition the industry produced a large volume of Axminster and Wilton carpets in squares and runners, the value of which aggregated nearly $2,000,000. It is also interesting to note that cotton, wool and hooked rugs are growing in demand, the industry producing nearly $300,000 worth of these products in 1931.

An Outstanding Canadian Industry

From a modest beginning in 1908, The Wabasso Cotton Company Limited has developed until it is today one of Canada's outstanding textile organizations.

The great modern factory houses the newest mechanical equipment for the production of fine cottons and associated lines and employs over 2,400 skilled workers.

For 25 years Wabasso has held to the policy of quality first; with the gratifying result that the name Wabasso is a household word throughout Canada and stands for the finest cottons that can be made.

Manufacturers of

Sheets Sheetings Printed Cottons
Slips Pillow Cottons Printed Silks

The Wabasso Cotton Co., Ltd.
THREE RIVERS, QUE.

A Great Canadian Industry

ONTARIO SILKNIT LIMITED
590 King Street West
Toronto, Ont.

— Manufacturers of —

"May Belle" Lingerie shown in a variety of Novelties and Staple Garments.
"Dunning Line" an ultra-quality line for the exclusive trade.
Men's Rayon Undergarments and Polo Shirts — for men who appreciate superior comfort.
"Lombardi Fancy Wool Patterns" — Manufactured under exclusive rights for Canada.
Plain Wool Jersey Cloth at popular prices.

Our extensive plant equipment of modern knitting machinery, with consequent large production, enables us to supply Knitted Rayon Fabrics at exceptionally attractive prices. Goods are dyed in our own plant, under the supervision of specialists.

May Belle Lingerie

ONTARIO SILKNIT LIMITED
Largest Manufacturers of Rayon Fabrics and Garments in the British Empire

CANADIAN CELANESE

Capacity Operations Continue at Drummondville Plant — Directors Take Steps to Pay Off Preferred Dividend Arrears

Capacity operations were conducted at the Drummondville plant of Canadian Celanese during the first four months of this year. Earnings do not altogether reflect plant activity owing to the lower value per sales unit this year as compared with 1932. Aggregate income, however, is on a par with that reported last year

During the past year, Canadian Celanese reported net profits from operations of $7.98 a share on its preferred stock, after providing for depreciation, income tax and other charges. The regular dividend of $7 a share was paid, while an extra $1 a share was disbursed on account of arrears, which amounted to $28.75 at the end of 1932.

Widen Plant Facilities

Over the last year the plant of the company was extended and technical facilities enlarged in order to permit the company to take advantage of the demand which arose for a wide variety of weaves and colors, not only in celanese but in a combination of celanese and natural silks. This demand, it is said, is being more than maintained this year.

While the company was getting its plant into operation, no dividends were paid on the preferred stock. Regular dividends were commenced in 1930 and in December, 1932, $1 was paid on account of arrears. A second extra dividend of $1 was declared this month, bringing the arrears down to $27.75. It is the intention of the management to pay off these arrears as quickly as conditions permit.

Capitalization—	Authorized	Outstanding
Common	300,000 shs.	250,409 shs.
No par value.		
Preferred	$15,000,000	$9,000,000
(7% cum., par $100).		

Funded Debt—
None.

Dividend Record—
Preferred—7 per cent cumulative, participating, payable quarterly.
In arrears as at Dec. 31, 1932, $28.75 per share.
A dividend of 3½ per cent was paid Dec. 31, 1930. This was the first payment made on the stock. Semi-annual payments of 3½ per cent were continued until quarterly payments were instituted Sept. 30, 1931. Paid regularly since.
Extra dividend of 1 per cent on account of arrears paid Dec., 1932; 1 per cent payable June 30, 1933.
Dates payable — Mar., June, Sept. and Dec. 30.
Common—None paid.

Officers and Directors—
Officers—G. H. Whigham, chm. of board; Dr. Camille Dreyfus, pres.; W. McC Cameron, vice-pres; Lee Cadien, sec.-treas.; C. W. Palmer, vice-pres. in charge of sales; R. H. Sperling, factory mgr.; C. Hessey-White, sales mgr.
Directors — Dr. Camille Dreyfus, New York; Brig.-Gen. Sir W. Alexander, London, Eng.; C. L. Auger, Patterson, N.J.; Lee Cadien, W. McC. Cameron, New York; Dr. H. Dreyfus, London, Eng.; P. A. Thomson, A. Schwartz, Montreal; G. H. Whigham, New York.
Finance and Executive Committee—P. A. Thomson (chm.); G. H. Whigham, Dr. Camille Dreyfus, W. McC. Cameron.

Earnings per Share and Div. Record—

	1932	1931	1930
Pref.: Earned*	$7.98	$8.95	$9.02
Paid	‡$7+$1	7.00	3.50
Com.: Earned†	0.35	0.70	0.72
None paid.			

*Before making provision for arrears in preferred dividends.
†Before making provision for arrears in preferred dividends, but after deduction of full year's dividends on preferred stock, namely $630,000.
‡On arrears.

Five Years' Earnings—

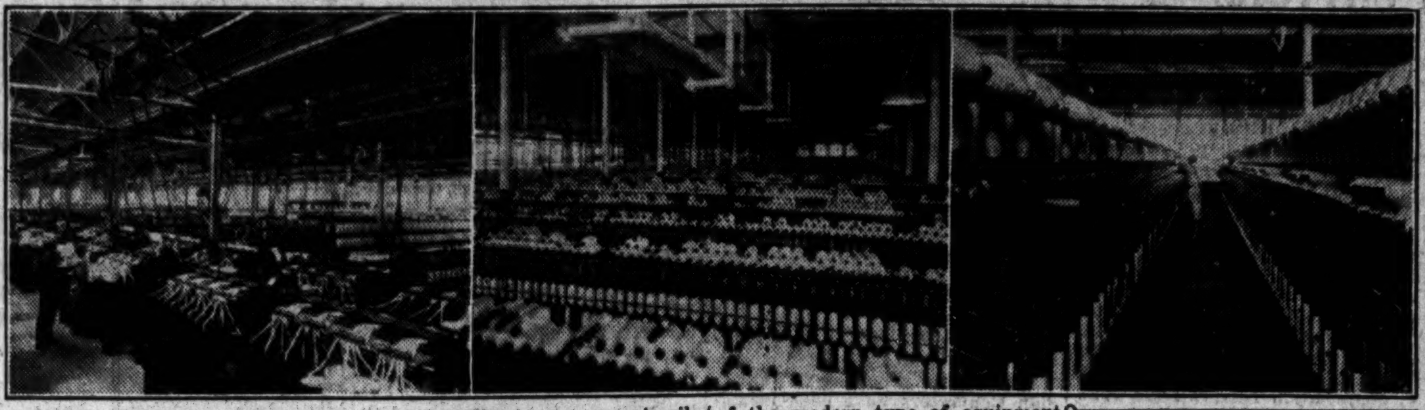
Year	Earnings $	Dividends $	Surplus $
1928	180,409	......	851,649
1929	527,519	......	1,216,966
1930	1,254,530	315,000	1,713,479
1931	1,260,449	630,000	1,730,478
1932	1,301,191	720,000	1,723,450

Market Record—

	*1933		1932		1931	
	H	L	H	L	H	L
Com.	19	6½	12¼	3⅜	14½	6
Pref.	98	70	84½	42	73½	59

*To June 6.

Canadian Textile Plant Efficiency Now Second to None



In the last five years several millions of dollars have been spent by the textile industry of Canada in modernizing mechanical facilities until today the manufacturing costs in Canadian mills compare very favorably with those in other countries. The cotton textile industry has been particularly active in this work. The three illustrations above give a comprehensive idea of the modern type of equipment installed. The left-hand picture gives a general view of the card room — draw frames in the foreground and fly frames beyond. The centre picture shows a section of a spinning room, looking over the tops of the frames. The right-hand picture shows the type of spinning machine in operation in a Quebec mill.

SUPERSILK HOSIERY

First Financial Statement Made Public Shows Good Working Capital

Supersilk Hosiery Mills, Limited, maintained a unit volume of sales during 1932 at approximately the 1931 level, although dollar volume was lower due to competitive conditions in the industry. Net profits fell from $61,000 in 1931 to $35,000 in 1932, due in part to increase in taxes and increased cost of raw silk as a result of the discount on the Canadian dollar. The company manufactures several lines of pure silk full-fashioned hosiery at its plant in London, Ont. Since 1929, the company has added extensively to its equipment and now has a daily production of 5,000 pairs of full-fashioned hose.

The balance sheet of the company was published for the first time in March and shows at December 31, 1932, the company had a strong liquid position with current assets of $239,039 and current liabilities of $18,858.

Capitalization—	Authorized	Outstanding
1st preferred	$975,000	†$515,000
Par $100.		
Common	25,000 shs.	25,000 shs.
No par value.		

†Of which 121 shares are held for cancellation.

Funded Debt—
None.

Dividend Record—
First Preferred — Present rate 3½ per cent per annum, cumulative, payable half-yearly, Jan. and July 2. Rate reduced from 7 per cent per annum, July, 1932.
Common—None paid to date.

Officers and Directors—
Officers—W. S. Thompson, pres.; Jas. D. Good, vice-pres.; A. S. Thompson, gen. mgr.; J. G. Thompson, sec.-treas.; R. W. Robertson, treas.
Directors—W. S. Thompson, J. G. Thompson, J. D. Good, W. L. Baragar, W. H. McPhillips, A. S. Thompson, A. H. Love, R. W. Robertson, all of London, Ont.; S. Mills, Hamilton.

BRUCK SILK

Improved Earnings and Finances Reported for 1932

Bruck Silk Mills' sales during the 12 months ended last October were 38 per cent ahead of the previous year in yardage and actual value of sales was 11 per cent in advance of the 1931 fiscal year. This was reflected in net operating profits which increased from $111,036 to $135,078. After providing for all prior charges, including a larger depreciation, $28,258 was added to surplus which now stands at $411,970.

No disbursements have been made on the company's common stock over the last two years, the management preferring to create adequate reserves.

Capitalization—	Authorized	Issued
Common	100,000 shs.	100,000 shs
No par value.		

Funded Debt—
First mortgage 6½ per cent bonds due 1945, $477,700.

Dividend Record—
Common—None at present. Formerly $1 per annum, payable quarterly, Feb., May, Aug. and Nov. 15. Last paid May, 1930.

Officers and Directors—
Officers—Isaac I. Bruck, pres. and treas.; F. G. Bush, sec.; W. P. Creagh, asst. sec.
Directors—Isaac I. Bruck, M. L. Williams, F. G. Bush, Lieut.-Col. C. N. Monsarrat, D. W. Partridge, L. S. Lee, W. P. Creagh, W. E. Dunton, C.A., Montreal; J. Shevell, New York.

Times Mortgage and/or Bond Interest Earned—

	1932	1931	1930
Before deprec.	4.21	3.35	1.85
After deprec.	2.00	1.31	0.05

Earnings per Share and Div. Record—

	1932	1931	1930
Common: Earn.	$0.28	$0.08	nil
Paid	nil	nil	$0.75

Five Years' Earnings—

Year	Earnings $	Dividend $	Surplus $
1928	246,341	......	279,418
1929	395,260	75,000	484,418
1930	62,743	75,000	375,560
1931	111,036	......	387,927
1932	135,078*	......	411,970

Market Record—

	*1933		1932		1931	
	H	L	H	L	H	L
Com.	9	3	6½	2	8	4½

*To June 6.

CANADIAN COTTONS

Current Operations Show Healthy Increase — Lower Earnings Last Year — Big Block of Bonds Purchased on Favorable Terms

Current operations of Canadian Cottons Ltd., one of the three principal cotton textile manufacturers in the Dominion, have shown a healthy increase. Mill activity is on a larger scale than for some time previously, while the sales volume is more encouraging.

Optimism over the present outlook is tempered by the experience of last year when the preferred dividend was earned by a good margin in the first six months. The last half of the year, however, saw a sharp falling off in business so that income for the full year was equal to only $2.48 a share against preferred dividend requirements of $6 a share.

Reduce Funded Debt

Despite a drop in gross sales from $6,541,600 to $5,789,476 during the fiscal year ended March 31, 1933, the balance sheet position has been strengthened. Working capital is off about $566,000 at $4,271,052. The issued funded debt totals $2,851,140, against which the company holds $1,127,040 in its own treasury, so that the amount in the hands of the public is only $1,724,100. Shares in subsidiary companies have been written down from $101,239 to $1. A further $350,000 has been written off for depreciation, while other reserves have been maintained. Capital invested in plant, etc., has been increased, while cash on hand has increased.

Capitalization—	Authorized	Outstanding
Pref. 6% non-cum.	$4,500,000	$3,661,500
Common	3,500,000	2,715,500
(Par $100).		

Funded Debt—
First mortgage 5 per cent bonds, due 1940, $2,851,140.

Dividend Record—
Preferred— 6 per cent per annum, paid regularly quarterly Jan., Apr., July and Oct. 4, since April, 1911.
Common—None at present. Initial dividend of 1 per cent paid July, 1916, and quarterly to and including Jan. 4, 1918; 1½ per cent per quarter paid from Apr. 4, 1918, to and including Oct. 4, 1919; 1¾ per cent per quarter paid from Jan. 1, 1920, to and including Apr. 4, 1920; 2 per cent per quarter paid from July 4, 1920, to and including Jan. 4, 1930; none since.

Officers—A. O. Dawson, pres. and man. dir.; Hon. F. L. Beique, vice-pres.; R. G. Tolmie, gen. mgr.; H. W. Watson, sec.; K. L. Hamilton, treas.
Directors—W. A. Black, A. O. Dawson, Sir H. M. Allan, Hon. F. L. Beique, G Caverhill, W. J. Morris, R. G. Tolmie, all of Montreal.

Times Bond Interest Earned—
Year Ended Mar. 31:

	1933	1932	1931
After deprec.	2.04	1.95	1.76

Earnings per Share and Div. Record—

	1933	1932	1931
Pref.: Earned	$2.48	$3.43	$2.87
Paid	6.00	6.00	6.00
Com.: Earned	....	....	....
Paid	....	....	....

Seven Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1927	613,025	436,930	2,737,563
1928	594,963	436,930	2,749,943
1929	384,626	436,930	2,553,925
1930	197,186	382,620	2,229,019
1931	242,874	219,690	2,114,480
1932	257,876	219,690	2,020,200
1933	177,766	219,600	1,891,246

Market Record—

	*1933		1932		1931	
	H	L	H	L	H	L
Com.	26½	15	..	..	..	..
Pref.	60	45	60	48½	55	49

*To June 7.

Raw Cotton Leads

Cost of all raw and other materials used in the cotton textile industry in 1931 was $26,210,708 and 92,420,951 pounds of raw cotton costing $11,286,785 accounted for over 43 per cent of this total.

Raw Silk Imported

Nearly 400,000 lbs. of raw silk was used in the hosiery and knit goods industry in 1931. This represents an increase of nearly 115,000 lbs. over that reported in the previous year. The value per pound declined from about $5 to $3 in 1931.

BRANTFORD CORDAGE CO.

Leading Maker of Binder Twine Has Kept Plant Continuously Employed Through Depression Years — Prices at Low Level

Brantford Cordage Co., which manufactures about one quarter of Canadian consumption of binder twine at its large Brantford plant, has since 1930 only earned a portion of its dividend of $2 a share on first preferred stock. Mills have been kept in continuous operation throughout most of the depression period but the low purchasing power of farmers has made it inevitable that the price of binder twine should decline to extremely low levels. For the current year much depends on crop conditions throughout Canada as to the results that will be shown in the year ending August 31, 1933. The company has a very strong working capital position, has no funded indebtedness and owes no money to the banks.

Capitalization—	Authorized	Outstanding
Common	100,000 shs.	80,000 shs.
(No par value).		
1st pref., cum..	$2,500,000	$1,636,650
2nd pref., cum..	850,000	850,000
Shares $25 each.		

Funded Debt—
None.

Dividend Record—
1st preferred—$2 per annum, payable quarterly, Jan., Apr., July and Oct. 15. Initial dividend paid July, 1925, and regularly since.
2nd preferred—$1.75 per annum, cumulative, from April 15, 1925. Initial dividend of $1.75 per share paid Nov. 25, 1930.
As at Aug. 31, 1932, this issue was in arrears 43¾ per cent, or $10.93¾ a share.
Common—None paid.

Officers and Directors—
Officers—W. M. Messecar, pres. and gen. mgr.; Thomas Neilson, W. C. Wells, vice-presidents; W. C. Wells, sec.-treas.
Directors—W. M. Messecar, W. C. Wells, B. E. James, Brantford, Ont.; Glyn Osler, A. E. Ames, Toronto; Thomas Neilson, Stratford.

Earnings per Share and Div. Record—

	1932	1931	1930
1st pref.: Earn.	$1.11	$0.14	$4.88
Paid	2.00	2.00	2.00
2nd pref.: Earn.	....	....	5.86
Paid	....	1.75	....
Common: None paid.			

Seven Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1926	315,128	159,005	928,931
1927	*147,994	154,628	628,509
1928	142,116	152,038	627,276
1929	416,333	147,887	902,550
1930	348,876	141,201	1,100,629
1931	20,995	197,796	856,645
1932	79,588	134,836	909,714

*Loss.

Market Record—

	*1933		1932		1931	
	H	L	H	L	H	L
1st pf.	21	18¼	20	17	22¼	14

*June 6.

CELTIC KNITTING

Deficit in 1931 Changed to Profit in 1932 Returns

Celtic Knitting Co., Montreal, manufacturers of various types of hosiery, was able to improve its position in 1932 to such an extent that an operating profit of $4,577 was set up as compared with a deficit of $7,895 in 1931 and $28,831 in 1930.

Sales conditions were not satisfactory, but rigid economies enforced by the management permitted of a more favorable operating result. In addition to showing a net profit, the company was able to reduce its inventories and cut down bank loans from $63,500 to $43,500.

The company was formed in 1920 and there was no public investment interest until 1928, when a block of 12,500 common shares were put on the market. A dividend of 15 cents a share was paid in September, 1929, but earnings since have been too limited to permit a further distribution to shareholders.

Capitalization	Authorized	Outstanding
Common	30,000 shs.	27,000 shs.
No par value.		

Funded Debt—
None.

Dividend Record—
Initial dividend of 15c per share paid Sept. 1, 1929; none since.

Officers and Directors—
Officers—E. P. Gordon, pres.; A. C. Howatson, vice-pres. and man. dir.; E. D. Gordon, sec.-treas.
Directors—E. P. Gordon, A. C. Howatson, E. D. Gordon, W. F. Graw, H. B. Robinson, Montreal.

Earnings per Share:

	1932	1931	1930
Common: Earned ...	$0.12	..	..

Five Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	11,651	4.37	17,288
1929	9,441	4.050	26,533
1930	†28,831	...	5,702
1931	† 7,895	...	†2,193
1932	* 4,577	...	1,022

† Loss or deficit.
* After charges of $4,977 for machine parts, etc., and $2,000 for depreciation.

COSMOS IMPERIAL MILLS

Physical Production in 1932 Slightly Lower — Dollar Value Much Less

Cosmos Imperial Mills, which has its head office at Sherman Avenue North in Hamilton and its plants at Yarmouth, N.S., and Hamilton, Ont., had production and sales in 1932 slightly under the figures for 1931 when measured in pounds. The sales value showed a more substantial decrease, indicating continued shrinkage of industrial purchases and a keen competition for the business available. Fluctuations in the raw cotton market of a violent kind made operating and merchandising factors difficult to adjust.

Substantial economies were made resulting in lower production costs. Ninety per cent of the number of employees normally at work were kept busy.

The company has a strong working capital though at the end of 1932 it showed a bank loan of $110,000 (secured) in the United States for the first time in many years. It had a funded debt of $830,400 and had a net profit after bond interest, taxes and depreciation of $49,142. Only part of the 7 per cent dividend was paid in 1932.

Capitalization—	Authorized	Outstanding
Common	50,000 shs.	50,000 shs.
No par value.		
Preferred	$1,500,000	$1,354,300
Par $100.		

Funded Debt—		
1st mtge. 6½% bonds, due 1944	1,000,000	$830,400

Dividend Record—
Preferred—3½ per cent per annum, payable Feb., May, Aug. and Nov. 15. Initial payment at present rate made Aug. 15, 1932; former rate was 7 per cent per annum. As at Dec. 31, 1932, dividends were in arrears $29,636, or $2.13 per share.
Common—None paid.

Officers and Directors—
Officers — S. H. Greene, pres.; A. V. Young, vice-pres.; W. S. Burrill, vice-pres. and gen. mgr.; E. W. B. Moody sec. and treas.
Directors—S. H. Greene, Boston, Mass.; A. V. Young, W. S. Burrill, Hamilton; J. J. McGill, Montreal; J. E. Rousmaniere, New York; G. H. Allen, Yarmouth, N.S.; H. R. Tudhope, Toronto.

Earnings per Share and Dividend Record:

	1932	1931	1930
Pref.: Earned ..	$3.68	$5.98	$8.97
Paid	4.81¼	7.00	7.00
Com.: Earned ..	nil	nil	0.57
None paid.			

Six Years' Earnings—

Year	Earnings	Dividends	Surplus
1927	$180,586	$104,559	$134,078
1928	244,977	104,084	254,811
1929	255,466	102,898	381,579
1930	135,808	101,390	409,897
1931	94,195	98,719	317,452
1932	51,442	65,695	349,732

Market Record—

	*1933		1932		1931	
	H	L	H	L	H	L
Com.	6	2	5⅛	2	9	3
Pref.	50	39	68	40	93	65

*To June 7.

HARDING CARPETS

Harding Carpets, Ltd., which manufactures carpets and rugs and specializes in seamless Axminster and Wilton rugs, had a deficit in the year ended October 31, 1932, of $35,189 as compared with $5,310 in 1931. Bank loans were reduced to $169,000 but working capital was lower. Inventories were much lower.

The company's plant is at Brantford. Due to the inactivity in building stores, hotels and theatres, one of its chief sources of income has been sadly reduced in recent years. The company has no funded debt. It has not paid dividends as yet.

Capitalization—	Authorized	Outstanding
Common	20,000 shs.	20,000 shs.
(No par value).		
Preferred	$998,000	$750,000
(7% cum. Par $100).		

Funded Debt—None.

Dividend Record—
Preferred—7 per cent per annum, cumulative from Jan. 1, 1928. None yet paid.
Common—None paid.
Officers—A. E. Cuthbertson, pres. and gen. mgr.; E. A. Mott, vice-pres.; A. R Wynn, sec.-treas.
Directors—A. E. Cuthbertson, E. A. Mott, C. Gordon Cockshutt, Brantford, Ont.; S. W. McKeown, J. S. Dickson, H. J. McLaughlin, Toronto, Ont.; Frank Harding, St. Thomas, Ont.

Earnings per Share:

	1932	1931	1930
Pref.: Earned	nil	nil	*$0.35
None paid.			

*Before depreciation.

Additional Textile News on page 19

GREY AND WHITE DIVISION

For—
COTTON BAG MANUFACTURERS:
Cement Bag Ducks, Grey and Bleached. Cloths for Flour Bags, Salt Bags, Sugar Bags, etc.
OILCLOTH MANUFACTURERS:
Wide Plains, Drills and specially woven cloths.
TENT AND AWNING MANUFACTURERS:
Caberfae, Savannah, Trident and Army Ducks, Waterproof Ducks.
RUBBER GOODS MANUFACTURERS:
Osnaburgs, Rubber Footwear Ducks, all types of Wide and Narrow Plains, Drills, etc., to specifications.
LEATHER CLOTH MANUFACTURERS:
Wide Drills, Moleskins and Sateens.
WINDOW SHADE MANUFACTURERS:
Shade Cloth in all widths.
ASBESTOS MANUFACTURERS:
Cloth for Pipe Lagging, etc.
TRUNK MANUFACTURERS:
Trunk Lining Cloths.
And many others.

DYED AND PRINTED DIVISION

SHIRT MANUFACTURERS:
Mercerized Broadcloths, Repps, Oxfords, Taffetas, Work Shirtings.
UNDERWEAR MANUFACTURERS:
Cambrics and Crêpe Cloths, Nainchecks.
CORSET MANUFACTURERS:
Cloths in Fancy Dobby Patterns.
CLOTHING MANUFACTURERS:
Khaki and Printed Cloths for Overalls, Boys' and Men's Pants, Flannels for Outing Shirts, etc.
Sleeve Linings, Pocketings, Knicker Linings.
DRESS MANUFACTURERS:
Priscilla Prints, Atlanta Fancies, Sunrise, Dimity, Colonial Piqué, Raysheen, Tuscora Silks, etc.
DRAPERY MANUFACTURERS:
Nipigon Draperies, St. Lawrence Sateens and special designs.
BEDDING MANUFACTURERS:
Mattress Tickings, Quiltings, Downproof Sateens.
Also cloths for use in industry such as: Sugar Filter Cloths, Builder Cloths, Dairy Cloths, Circular Woven Grain Bags.

YARNS

KNIT GOODS MANUFACTURERS:
Underwear, Outerwear, Hosiery; Grey, White, Random and Spot Dyed Yarns; Heather Mixtures and Solid Colours.
CARPET MANUFACTURERS:
Carpet Warps in various put-ups.
PAPER FELT MANUFACTURERS:
Warp and Filling Yarns, Single or Ply.
ELECTRICAL MANUFACTURERS:
Laid Yarns for Insulation Work in Fast Colours.
MOP MANUFACTURERS:
Soft Twisted Mop Yarns.
SPECIALTY CLOTH MANUFACTURERS:
Warp and Filling Yarns for the Weaving Trade: Plushes, Elastic Webbing, Union Cloths, etc.

INDUSTRIAL FABRICS
and YARNS

Dominion Textile Co. Limited is the major source of supply for other Canadian Manufacturers using Cotton in their products.

Officers:
Chairman of the Board
SIR CHARLES B. GORDON, G.B.E.
President and Managing Director
F. G. DANIELS
Vice-President SIR HERBERT HOLT
Secretary L. P. WEBSTER
Treasurer R. A. LANG

Directors:
J. P. BLACK
W. A. BLACK
SIR FREDERICK WILLIAMS-TAYLOR
G. BLAIR GORDON

DOMINION TEXTILE COMPANY
Limited
VICTORIA SQUARE, MONTREAL
MONTREAL TORONTO HAMILTON WINNIPEG VANCOUVER

ZIMMERKNIT

Reorganized Company Makes Progress Under New Management

Zimmerknit Co., Ltd., has made substantial progress since it was formed in 1931 to take over the predecessor company of the same name, which had gone into receivership. Control is now held by a group headed by J. Douglas Woods, of York Knitting Mills and Woods Underwear Co., and under Mr. Woods' management Zimmerknit Co. earned bond interest in 1932 and has prospects for a better year in 1933.

Plants of the company are located at Hamilton and Woodstock, Ont., and manufactures include underwear, hosiery and knit goods sold under the trade name of Zimmerknit, while the company also has exclusive rights to manufacture in Canada the "Annette Kellerman" brand of bathing suits. In 1932, total sales showed an increase of 22.9 per cent over the preceding year. Bondholders of the predecessor company which went into receivership hold the second mortgage bonds and preferred stock of Zimmerknit Co., while preferred shareholders of the old company receive common shares.

Capitalization—	Authorized	Outstanding
Common .... No par value.	*100,000 shs.	†65,880 shs.
Preferred ..... Par $100.	$250,000	$250,000

* 25,000 shares reserved against option to purchase at $5 a share until July 31, 1935.

Also, 8,495 shares are reserved against warrants, issued to preferred shareholders of Zimmerknit, Ltd.

†37,125 shares deposited in voting trust for benefit of J. Douglas Woods and associates, who also own an additional 25,000 shares.

Funded Debt—
1st mtge. and coll. trust 6 per cent bonds, due 1951, outstanding $250,000.
2nd mtge. and coll. trust 6 per cent bonds, due 1961, outstanding $500,000.

Dividend Record—
Preferred: Entitled to 7 per cent per annum, cumulative from Feb 1, 1934. None paid to date.

Officers—J. Douglas Woods, pres.; K. W. Harvey, vice-pres.; E D. MacPhee, sec.-treas.

Directors—J. Douglas Woods, R. A. Daly and E. D. MacPhee, Toronto; K. W. Harvey, St. Clair Balfour, F. J. Maw and A. V. Young, Hamilton.

CONS. INCOME AND SURPLUS ACCT.
Years Ended December 31

	1932 $	1931 $
Net earnings *	52,255	2,674
Less: Bond interest	45,000	41,227
Bond interest	1,500	1,500
Surplus for year	5,755	†40,053
Prev. deficit brought fwd.	32,781	.. ..
Less: Trans. from res. set up Dec. 31, 1930, not required	......	7,272
Deficit car. fwd.	27,026	32,781

*After operating and administrative expense but before depreciation.
† Deficit.

Times Bond Interest Earned:

Before deprec.	1.16	0.06

Market Record—

	*1933 H	L	1932 H	L	1931 H	L
Com.	..	..	1	1	..	..
Pref.	..	..	..	..	7	7

* To June 8.

REGENT KNITTING

Earnings in 1932 Advance Sharply — Current Sales Unsettled

Current sales position of Regent Knitting Mills is not as good as might be desired. On the other hand, despite a decline of 9.8 per cent in sales, the company was able to effect a sharp increase in 1932 earnings. For the past year the company had an operating profit of $110,993 compared with $19,958 in the previous year.

The financial position of the company has not been altogether satisfactory. At the end of 1932 the company had bank loans of $330,000, unchanged from the previous year. In addition the company was faced with the problem of redeeming nearly $400,000 of bonds by Sept., 1935.

Bondholders Help

Early in November last bondholders of the company agreed to postponement of the maturity date of the serial bonds until Sept. 1, 1942, the company binding itself until that date to pay to the trustee, starting from Sept. 1, 1934, an annual sum of $10,000 to be used for the redemption of the bonded debt. Interest charges continue to be met regularly.

Originally some $600,000 of the bonds had been issued, but redemptions have brought the outstanding amount down to $389,800 at the close of 1932.

Capitalization—	Authorized	Issued
Common .... (No par value).	100,000 shs.	65,009 shs.
Preferred .... (Par value $25).	$400,000	$400,000

Funded Debt—
First mtge. bonds, 6½ per cent, due serially, 1932 to 1935, $389,800.

Dividend Record—
Preferred entitled to $1.60 per share per annum, non-cumulative. None paid.
Common—None paid.

Officers and Directors—
Officers—C. G. de Tonnancour, pres.; L. Marcoux, vice-pres. and man. dir.; J. H. Panneton, vice-pres.; L. P. Bernier, sec.-treas.
Directors—C. G. de Tonnancour, L. Marcoux, J. H. Panneton, J. E. Savard, Jean Rolland, Paul Galibert, J. A. Yates, H. J. Ross, Montreal; H. Holdroyd, Toronto.

Times Bond Interest Earned—

	1932	1931	1930
Before deprec.	†3.32	†nil	1.95
After deprec.	†0.26	†nil	nil

†After deducting other interest.

Five Years' Earnings—

Year	Earnings	Dividends	Surplus
1928	$194,802	......	$704,877
1929	*7,736	......	606,937
1930	61,653	......	412,794
1931	19,958	......	288,845
1932	110,994	......	66,925

*Loss.

Market Record—

	*1933 H	L	1932 H	L	1931 H	L
Common	1	½	2	¼	3	1

*To June 7.

MONTREAL COTTONS

Operations on Better Scale of Late — Sales in 1932 Register Decline — Dividend on Common Passed — Improve Plant and Equipment

Sales of Montreal Cottons Ltd., affiliated with Dominion Textile Co., amounted to $2,754,374 last year compared with $3,135,169 in 1931, a reduction of approximately $380,000.

Little difference was noted in unit values last year, so that the reduction in the dollar volume of sales corresponds closely to the loss in yardage sales. This condition, to some extent, has been due to increased importations from Lancashire cotton mills of goods competing with those produced by Montreal Cottons.

In recent weeks the position of Canadian cotton textile operators, including Montreal Cottons, has undergone a change for the better. This may be due largely to a seasonal pick-up in sales and it is difficult to foretell at this time whether or not the increased operations will be maintained over any lengthy period.

Improve Plant Facilities

During the past year $440,409 was spent on capital account, represented in further additions to equipment and improvement of plant conditions. The benefits derived from the extensive reorganization work undertaken by the company over the past two years are seen in a reduction in manufacturing losses from $329,361 in 1930, $246,840 in 1931 and $75,004 in 1932. These reductions have taken place in face of adverse operating conditions, plant activity in 1932 being only 50 per cent of capacity.

Pass Common Dividend

Owing to the sharp falling off in special income, arising out of the sale of the company's water power rights to the Beauharnois Light, Heat and Power Co., the management found it necessary to eliminate dividends on the common stock which had been paid without interruption since 1911, amounting to 6 per cent per annum between 1920 and 1932.

The balance sheet of the company as at the end of last year indicated a satisfactory working position. Bank loans and overdrafts, however, had increased during the year from $346,331 to $966,617. A slight reduction took place in funded debt, while $300,000 was transferred from a special contingency account to profit and loss account in order to take care of the losses recorded since 1928. While no additions have been made to depreciation reserve since 1927, large sums have been spent by the company in renovating and improving mill properties and equipment.

Capitalization—	Authorized	Outstanding
Common	$5,000,000	$3,000,000
Preferred ...... Par $100.	5,000,000	3,000,000

7 per cent cumulative. No voting power.

Funded Debt—
First mortgage 5 per cent bonds of Montreal Cottons due Nov. 1, 1948, $468,662.

Dividend Record—
Preferred—7 per cent per annum cumulative, payable quarterly, Mar., June, Sept. and Dec. 15.
Common—None at present. Was 6 per cent per annum, payable quarterly, Mar., June, Sept. and Dec. 15. Paid regularly to and including Dec. 15, 1932. None since.

Officers and Directors—
Officers—Sir Charles Gordon, chm. of board; F. G. Daniels, pres. and man. dir.; Sir Herbert S. Holt, vice-pres.; H. A. Wilson, sec.-treas.; C. W. Gurnham, asst. sec.; W. G. E. Aird, mgr. at Valleyfield.
Directors—Sir Charles Gordon, chm.; F. G. Daniels, Sir Herbert S. Holt, K.B., Senator R. Dandurand, J. P. Black, W. C. Finley, G. Blair Gordon, Montreal.

Earnings per Share and Div. Record—

	1932	1931	1930
Pref.: Earned	nil	nil	....
Paid	$7.00	$7.00	$7.00
Common: Earned ...	nil	nil	....
Paid	$6.00	$7.00	$6.00

Eight Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1925	509,956	390,000	1,214,851
1926	493,158	390,000	886,619
1927	479,300	390,000	874,065
1928	426,498	390,000	857,068
1929	199,593	390,000	635,515
1930	†180,888	390,000	449,036
1931	†118,787	390,000	383,724
1932	†14,327	390,000	230,451

†Loss.

Market Record—

	*1933 H	L	1932 H	L	1931 H	L
Com.	24	18	75	45	95½	93½
Pref.	60	50	75	65	102	98

*To June 7.

TIP TOP TAILORS

Unit Volume is Good for Current Year — Profit Margin Low

An exceptionally good unit volume of business is reported for Tip Top Tailors Ltd. in the current year to date, although the reduced prices in effect on the made-to-measure and the ready-made men's clothing manufactured by the company permits only a very small margin of profit. Prospects for the remainder of the year are good and if increased prices on raw materials make it necessary for the company to increase prices on its product, earnings should show improvement over those reported in 1932.

Tip Top Tailors Ltd. sells its made-to-measure suits at a fixed price through its 51 stores and 1,600 agencies located throughout Canada. Prices were reduced during 1932 in order to meet extensive competition that developed and as a result net earnings from operations dropped to $33,268 from $229,748 the previous year. The company retained a strong working capital position with ratio of current assets to current liabilities at 5.44 to 1. The preferred dividend of the company was passed in January and resumption of payment will depend upon business development during 1933.

Capitalization—	Authorized	Outstanding
Common ...... No par value.	150,000 shs.	120,000 shs.
Preferred 7% .. Par $100.	$1,500,000	$1,334,100

Funded Debt—
None.

Dividend Record—
Preferred—7% per annum, payable quarterly 1st Jan., Apr., July and Oct. Initial dividend paid July 1, 1928, and regularly to and including Jan. 1, 1933. Payment due Apr. 1, 1933, deferred, to be considered in June.
Common—None paid.

Officers and Directors—
Officers—D. Dunkelman, pres.; R. Dunkelman, sec.; H. P. Mackechnie, treas and gen mgr.
Directors—D. Dunkelman, R. Dunkelman, H. P. Mackechnie, J. B. Dunkelman, R. A. Daly, Toronto; A. Miller, Kitchener.

Earnings per Share and Dividend Record—
Years Ended Jan. 2

	1933	1932	1931
Pref. Earned	nil	$7.91	$18.38
Paid	$7.00	7.00	7.00
Common: Earned ...	nil	0.09	1.11

None paid.

Five Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	718,981	76,650	534,560
1929	692,983	101,097	1,025,557
1930	337,480	96,481	1,115,572
1931	229,748	94,637	1,082,242
1932	33,268	93,510	905,652

Market Record—

	*1933 H	L	1932 H	L	1931 H	L
Com.	8	1	7	3	13	6½
Pref.	40	35	67	40	90	77

*To June 8.

TOOKE BROS.

Seasonal Gains Noted in Sale of Company's Products

Some seasonal improvement has been noted in sales of Tooke Bros., Montreal shirt and handkerchief manufacturers, and expectations are that the company will be able to show an operating profit for the year ending this month. In the last fiscal year sales were down about 30 per cent in dollar value and 17 per cent in units compared with the previous year. Operations resulted in a loss of $27,880 and the net deficit was $126,800, including a write-off of $47,416 for bad debts.

Output of Tooke Bros. is perhaps most closely identified with its production of shirts, but production also includes collars, neckwear, underwear and similar lines of haberdashery. Through a subsidiary the company manufactures handkerchiefs and paper boxes.

Capitalization—	Authorized	Outstanding
Common .... No par value..	10,000 shs.	8,725 shs.
Preferred ...... 7% cumulative. Par $100.	$1,250,000	$985,000

Funded Debt—
1st mtge. 7% bonds, due 1942 .. $247,600

Dividend Record—
Preferred (new)—7 per cent per annum, cumulative, payable quarterly, Jan., Apr., July and Oct. 15. Dividends accrued from Jan. 1, 1927. Initial dividend, 1¾ per cent paid April 15, 1927. Payment due Oct. 15, 1931, passed. None since. Arrears of dividends on old preferred settled by capital reorganization in 1927.
Common—None paid on either old or new.

Officers and Directors—
Officers—W. M. Weir, pres.; D. A. Young, vice-pres. and man. dir.; R Craig, sec.-treas.;
Directors—D. A. Young, H. J. Trihey, Montreal, P.Q.; W. M. Weir, W. K. Trower, W. G. Hanson, Westmount, P.Q.; Lt.-Col. C. W. McLean, Point Claire, P.Q.; H. Barrett, Toronto.

Times Bond Interest Earned—
Years Ended June 30

	1932	1931	1930
Before deprec.	nil	2.31	9.01
After deprec.	nil	1.80	8.10

Earnings per Share and Dividend Record—

	*1932	1931	1930
Pref.: Earned	nil	nil	$12.05
Paid	nil	$7.00	7.00
Com.: Earned	nil	nil	5.70

None paid.

Seven Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1926	116,777	......	290,056
1927	112,345	34,475	325,375
1928	109,696	68,950	324,934
1929	155,856	68,950	337,231
1930	163,185	68,950	386,965
1931	40,320	68,950	258,937
1932	*27,880	......	117,387

*Loss.

Market Record—

	*1933 H	L	1932 H	L	1931 H	L
Com.	..	..	..	..	22	10
Pref.	15	..	..	..	67	48¼

*To June 8.

Wolthausen Hat

Wolthausen Hat Corp., with plant and head office in Brockville, is the principal hat manufacturer in the Dominion. For several years past the company has maintained consistent and extensive advertising campaigns, with the results that its trade-marks are well and favorably known throughout the country The company manufactures a medium priced hat which has been accorded favorable reception by the buying public.

Capitalization—	Authorized	Issued
Pref. non-cum. ..	$200,000	$200,000
Common, n.p.v. ..	4,000 shs.	4,000 shs.

Funded Debt—
First mortgage, 7 per cent, due 1943, outstanding $167,000.

Dividend Record—
None.

Officers and Directors—
Officers—F. Wolthausen, pres.; F. D. Wolthausen, vice-pres.; S. C. Horton, sec.
Directors—F. Wolthausen, S. C. Horton, F. D. Wolthausen, H. B. Robinson, W. B. Reynolds, W. B. Comstock.

CAN. CONVERTERS

Small Operating Profit is Shown on Last Year's Business

Lower sales and drop in prices affected earning power of Canadian Converters during the year ended April 30 last. Including income from investments the company was able to show profit of $13,057, or somewhat less than half of that reported in the previous year. After providing a smaller amount for depreciation and paying only $2 a share dividends, a deficit of $28,612 was established compared with $33,846 in the 1932 fiscal year.

Since 1930 net earnings of Canadian Converters have been insufficient to cover dividend payments. In previous years, however, the company built up strong reserves so that it has been able to maintain dividends even though on a declining scale. This action has been possible without undermining the company's financial position, the balance sheet at April 30 last indicating the maintenance of a strong working capital position.

Operations of the company are confined to the converting of textiles into shirts, collars, overalls, underwear, whitewear, ladies' and childrens' dresses, etc. National distribution is accorded to the company's products and any improvement in the company's position will depend almost wholly upon a pick-up of sales in the domestic market.

Capitalization—	Authorized	Outstanding
Common .... Par value $100.	$3,000,000	$1,733,500

Funded Debt—
None.

Dividend Record—
Common—$2 per annum, payable Feb., May, Aug. and Nov. 15. Rate reduced from $4 to $2 with payment of 50 cents Feb. 15, 1932.

Officers and Directors—
Officers—J. H. Roy, pres. and gen. mgr.; J. M. Mackie, vice-pres.; T. M. Barrington, sec.-treas.
Directors—J. N. Laing, J. H. Roy, T. J. Rodger, D. Paterson, R. C. McMichael, J. M. Mackie, T. R. Rennie, all of Montreal.

Earnings per Share and Div. Record:
Years Ended April 30

	1933	1932	1931
Earned	$0.35	$1.05	$2.58
Paid	2.00	3.00	5.00

Seven Years' Earnings—
Years Ended April 30

Year	Earnings	Dividends	Surplus
1927	$156,363	$121,345	$667,017
1928	163,624	121,345	669,297
1929	166,268	121,345	673,220
1930	104,788	121,845	639,163
1931	56,291	86,675	597,279
1932	29,660	52,004	563,434
1933	13,057	34,669	534,821

Market Record—

	*1933 H	L	1932 H	L	1931 H	L
Com	30	8	20	16½	58	30

* To June 8.

ONT. SILKNIT

Australian Subsidiary Had Good Earnings in Past Year

Ontario Silknit Ltd. makes lingerie, dresses and other rayon products in Canada. Summit Dyeing Co. dyes all goods for the company's knitting plant and also does a business in weighing and dyeing pure silk for the outside trade. An Australian subsidiary, Australia Silknit, Ltd., has a complete knitting and dyeing plant, and shareholders approved early in 1933 of a plan whereby this subsidiary could borrow up to £100,000 to finance purchase of a plant in England.

Operations of the company during 1932 were not profitable in Canada but losses were offset by earnings in Australia. Consolidated net earnings of the company were $158,270, which was reduced through provision for depreciation, taxes and write-offs to a net profit of $15,126. Improvement in the exchange rate on sterling will benefit the company through increasing value of assets in Australia and reduction on losses on exchange. Working capital position at December 31, 1932, was stronger than at the end of the preceding year.

Capitalization—	Authorized	Outstanding
Common .... No par value.	100,000 shs.	40,085 shs.
Pref., 7%... .. Par $100.	$1,500,000	$1,000,000

Funded Debt—
None.

Dividend Record—
Preference—Entitled to 7 per cent cumulative, per annum, payable quarterly, March, June, Sept. and Dec. 15. Initial dividend of $1.75 paid Sept. 15, 1928, and regularly thereafter to Dec. 15, 1931, when deferred; none since.
Common—None paid to date.

Officers and Directors—
Officers—M. H. Epstein, pres.; W. B. Milner, vice-pres.; A. R. Greene, sec.; H. Greisman, treas.
Directors—M. H. Epstein, H. Greisman, A. R. Greene, W. B. Milner, C. H. Burgess, all of Toronto.

Earnings per Share and Div. Record:

	1932	1931	1930
Pref.: Earn.	§$1.51	§$4.39	*$4.36
Paid	nil	5.25	7.00
Com.: Earned†	nil	nil	nil
Earned‡ ..	nil	nil	nil
Paid	nil	nil	nil

† Based on preference dividends paid.
‡ After allowing full year's dividends on preference shares outstanding as at Dec. 31.
* Before writing down net current assets of foreign subsidiaries to basis of current rate of exchange.
§ After writing down net current assets of foreign subsidiaries to basis of current rate of exchange.

Five Years' Earnings:

Year	Earnings $	Dividends $	Surplus $
1928	229,409	29,750	136,709
1929	311,359	59,920	288,206
1930	116,118	70,000	112,213
1931	170,419	52,500	53,647
1932	158,270	......	58,934

Market Record—

	*1933 H	L	1932 H	L	1931 H	L
Common	5	4	..	...	7	5

* To June 8.

BELDING-CORTICELLI

Unsettled Silk Market Causes Company to Reduce Dividend from $7 to $4 Annual Basis—Directors Meet Changed Conditions in Trade

Reduction of the dividend from $7 to $4 a share by Belding-Corticelli Ltd. reflects the more difficult conditions faced by silk manufacturing firms owing to the decline in value of raw silk. Every effort has been made by the management to meet changed conditions. Drastic economies have been put into operation in every department, and, in addition, much old equipment has been replaced by new machinery of the most modern type.

This is the first time Belding has reduced its common dividend since payments were initiated in 1923. The $7 rate was inaugurated in 1928, an increase of $1 over the previous disbursement.

Reduction of common dividends to their present basis places them within earning power demonstrated in the year ended Nov. 30, 1932, when profits were equal to $5.79 a share. In the previous year common share earnings were $1.79 and surplus had been reduced to $470,487 at the end of last year.

Face Keen Competition

Belding-Corticelli is one of the leading manufacturers in Canada of silk threads, ribbons and various other silk lines. Keen competition has been experienced from certain imports. Tariff changes made in the 1932 budget actually adversely affected the company since duties were placed on raw materials without any increased protection being given on Belding's finished products.

Capitalization—	Authorized	Outstanding
Pref., 7% cum.	$1,650,000	$865,800
Com. stock .... Par $100.	850,000	749,500

Funded Debt—
First mortgage sinking fund 5 per cent bonds due May 1, 1936; outstanding $137,046.

Dividend Record—
Preferred, 7 per cent payable Mar, June, Sept. and Dec. 15.
Common—4 per cent per annum, paid quarterly, Feb., May, Aug. and Nov. 1. Reduced from 7 per cent to 4 per cent May 1, 1933.

Officers and Directors—
Officers — A. O. Dawson, pres.; Wm. Hanson, vice pres.; W. P. MacDougall gen. mgr.; D. F. Pollock, sec.; J. P. Kennedy, treas.
Directors—A. O. Dawson, W. A. Black, Wm. Hanson, J. M. Mackie, R. C. Vaughan, W. P. MacDougall, Montreal.

Times Bond Interest Earned:

	1932	1931	1930
Before deprec.	8.26	7.23	8.68
After deprec.	4.29	3.40	5.26

Earnings per Share and Div. Record:

Pref.: Earn.	$12.02	$8.54	$14.00
Paid	7.00	7.00	7.00
Com.: Earn.	5.79	1 79	8.08
Paid	7.00	7.00	7.00

Ten Years' Earnings:

Year	Earnings	Dividends	Surplus
1923	$279,801	$ 75,561	$514,077
1924	254,771	90,551	361,898
1925	345,858	98,046	358,065
1926	248,930	105,541	371,210
1927	275,341	105,541	402,071
1928	357,348	113,036	449,880
1929	392,925	113,036	510,586
1930	321,112	113,036	518,663
1931	267,342	113,036	479,541
1932	*305,863	113,036	470,487

* Includes interest on investments of $17,236.

Market Record—

	†1933 H	L	1932 H	L	1931 H	L
Com.	..	..	63	60	93	85
Pref.	89	87¼	90	65	100	90

† To June 6.

Silk Industry's Record

Few industries are able to record such remarkable expansion as has taken place in the silk industry since 1917. In this period the value of production increased over 666 per cent; capital invested 1,348 per cent; number of employees 661 per cent; and salaries and wages paid them by 1.367 per cent.

TORONTO CARPET

International Carpet Business Pays Dividends for 32 Years

Toronto Carpet Manufacturing Co., whose carpet plant at Toronto occupies seven acres and contains 500,000 square feet of floor space, manufactures Wilton, Saxony and Brussels carpets and rugs, Smyrna carpets and rugs, Axminster squares, runners, mats and Ingrain carpets and rugs.

The company was originally incorporated in 1891 and was reincorporated in 1917 under a Dominion charter.

The company owns the common stock of the following companies:

Barrymore Cloth Co. which has a plant in Toronto to make velours, cashmeres, ladies' cloths and cloakings, other coatings, worsted suitings and worsted yarns;

Barrymore Seamless Wiltons, Inc., with a plant in Philadelphia and another at Holmesburg;

Campbellford Cloth Company which weaves woollen cloth in the plant at Campbellford;

J. Henry Peters Mfg. Co., which manufactures rayon lingerie, scarves, neckties, braids and trimmings in Toronto;

Toronto Rattan Co., which makes reed, fibre and stick furniture in a Toronto plant; and

Barrymore Furniture Co., which makes high-grade upholstered furniture as an operating branch of Toronto Rattan Co. Ltd. For most of the period from 1891 to date eight per cent has been paid regularly on both classes of preferred and common stock.

Capitalization—	Authorized	Outstanding
Common	$1,000,000	$1,000,000
Preferred .... Par $100.	1,000,000	832,000
Funded Debt— 1st mtge. 6% bonds Series "A" due 1944	5,000,000	742,500

Officers and Directors — F. B. Hayes, pres. and man. dir.; G. D. Perry, vice-pres.; B. B. Hayes, v.-p. and gen. mgr.; W. G. Berner, sec.; P. D. Hayes, treas.; G. H. Munta, P. D. Hayes, R. Fennell.

Mercury Mills Limited
Makers of fine Underwear and Hosiery for Gentlemen

WE INVITE you to examine two new Mercury lines now being shown by haberdashers and department stores.

"Snugs," a comfortable, lightweight Summer combination that fits like a bathing suit, and .... the new Mercury Socks that have a Fashioned Heel, the effect of which is to insure an elastic-like fit over the instep and prevent wrinkling around the ankle.

Head Office and Mills - Hamilton, Ont.
Sales Offices in Toronto and Montreal

WABASSO COTTON

Earning Power Limited in Last Year, But Current Conditions Are More Hopeful — Strengthen Balance Sheet Position

Wabasso Cotton Co. has shared with the other cotton textile manufacturers in the present marked improvement in demand, so that mill operations at present are on a better basis than those current at this time last year.

Operations of the company this year have been maintained on an even basis. Wabasso's position has not been tangibly affected by the agreements reached at the Ottawa Conference last year. The main changes tended to hit manufacturers of high-grade fancy goods since benefits were granted to many lines in this division. Wabasso's output largely comprises staple goods and celanese weaves.

The position of the company further has been improved by recent advances in raw cotton prices. In 1931 most of the manufacturers experienced heavy inventory losses through the decline in cotton values. During the first half of Wabasso's fiscal year, ending December 31 last, the raw cotton market was relatively staple, and since that time has been on the upward trend.

Earnings of Wabasso in the 1932 fiscal year were not as good as those reported in the previous twelve months. After taking into income a reserve of $136,595 not required and retransferred and providing for depreciation, bond interest and other prior charges, there was a deficit of $283,705. This compared with a balance of $3,648 in the year ended June 27, 1931. No dividends have been paid on the common shares since 1929.

Despite the unsatisfactory income account last year, the balance sheet shows the financial position of the company to be well maintained. Working capital at $817,761 compares with $946,386 in the previous year. Bank loans were reduced from $885,000 to $550,000. Inventories were reduced by nearly $700,000, while the aggregate funded debt decreased $119,500. Nearly $200,000 was expended on plant and equipment during the year.

Capitalization—	Authorized	Outstanding
Capital stock ... No par value.	105,000 shs.	69,903 shs.
Funded Debt— 1st mtge. 6% bonds, due 1947	$1,000,000	$751,000
Sinking fund, 7% bonds, due 1942 ..	750,000	540,000

Dividend Record—
Dividend passed for quarter ending Sept 30, 1928, and not yet resumed. Previous rate was $4 per share plus bonus of $1 per share in 1927 and $2 in 1928. Dates payable, Jan., Apr., July and Oct. 1.

Officers and Directors—
Officers—C. R. Whitehead, pres. and gen man.; J. W. Pyke, vice-pres.; W. J. Whitehead, man. dir.; H. W. Capel, sec.-treas.
Directors—C. R. Whitehead, W. J. Whitehead, Three Rivers; W. I. Gear, J. W. Pyke, Hugh Mackay, Montreal; R. N. Ball, Woodstock, Ont.; Wm. Harty, Jr., Kingston, Ont.; D. A. Parkyn, Manchester, Eng.

Times Interest Earned—
Years Ended June 30

	1932	1931	1930
Before depr. .	0.95	2.03	1.84
After depr. ..	0.03	1.16	0.89

Earnings per Share and Dividend Record—

Earned*	...	$0.05	...
Paid	...	...	...

*On fully paid shares.

Seven Years' Earnings—
Years Ended June 30

Year	Earnings	Dividends	Surplus
1926	$395,615	$140,000	$673,519
1927	538,961	192,500	749,139
1928	483,137	262,500	671,827
1929	155,868	52,500	492,299
1930	484,559	......	383,214
1931	520,732	......	386,862
1932	238,463	......	108,157

Market Record—

	*1933 H	L	1932 H	L	1931 H	L
Common	11	4	12	4	30	10

* To June 8.

SHAWINIGAN COTTON

(Controlled by Wabasso Cotton Co.)

Capitalization—	Authorized	Outstanding
Common .... Par $1.	10,000 shs.	10,000 shs.

The parent company owns 97 per cent of the stock.

Funded Debt—
1st mtge., 6 per cent gold bonds, due 1949, outstanding, $773,000.
Six per cent debentures, due 1936, authorized, $200,000; none issued. To be used for collateral purposes only.

Officers and Directors—
Officers — C. R. Whitehead, pres. and gen. mgr.; J. W. Pyke, vice-pres.; W. J. Whitehead, mgr.; H. W. Capel, sec.-treas.
Directors—J. W. Pyke, Hugh Mackay, Montreal; C. R. Whitehead, W. J. Whitehead, Three Rivers, Que.; N. Ball, Woodstock, Ont.

ST. MAURICE VALLEY COTTON

(Controlled by Wabasso Cotton Co.)

Capitalization—	Authorized	Outstanding
Common* ...... Par $100.	$1,250,000	$1,250,000

*All owned by the parent company.

Funded Debt—
1st mtge., 6 per cent bonds, due 1952, outstanding $1,917,300.

Officers and Directors—
Officers—C. R. Whitehead, pres. and gen. mgr.; J. W. Pyke, vice-pres.; W. J. Whitehead, mgr.; H. W. Capel, sec.-treas.
Directors—C. R. Whitehead, W. J. Whitehead, Three Rivers, Que.; J. W. Pyke, Hugh Mackay, Montreal, Que.; R. N. Ball, Woodstock, Ont.

DOM. WOOLLENS

Prospects Improve as Fall Orders Come In — Earnings Higher

Dominion Woollens & Worsteds, Ltd., closes its fiscal year on June 30, and while earnings figures are not available it is understood that earnings are higher than in the previous year when operating profit was $185,825. Inventory losses, which were extremely heavy in the previous two years, are believed to be a thing of the past and bookings of fall orders give prospect of improved business and profits in the next fiscal year.

Capital reorganization of the company, effected early this year, relieves the company of bond interest payments from December, 1932, to December, 1934. Between bond interest payments and inventory losses, the company has not been able to show a net profit for three years, but with fixed charges waived for the next two years it is felt that working capital can be built up and a sound financial position regained.

The company is engaged in the spinning and dyeing of worsted and woollen yarns, and weaving tweeds, velours, cottons, linens, silks, etc. The company owns the only woolcombing plant in Canada with an annual capacity of around 3,000,000 lbs.

Capitalization—	Authorized	Outstanding
Common ...... (No par value).	200,000 shs.	60,000 shs.
Preferred, 6%.. (Par $100).	$4,000,000	$1,500,000

Funded Debt—
First mortgage, 6%, Series "A," due 1948 outstanding $2,117,000.

Dividend Record—
Preferred—6 per cent per annum, cumulative from July 1, 1928. Payable quarterly, July, Oct., Jan. and April 1.
No dividends have been paid since date of issue, June, 1928.
Common—None paid.

Officers and Directors—
Officers — A. O. Dawson, pres.; W. K. Trower, vice-pres.; Henry Barrett, man. dir.; F. C. Cockburn, sec.-treas.
Directors—A. O. Dawson, W. K. Trower, William Hanson, Montreal; G. D. Perry, G. B. Woods, Henry Barrett, E. M. Saunders, Toronto; C. M. Heddle, Peterborough.

Times Bond Interest Earned:

	1932	1931	1930
Before deprec. and other interest	1.23	0.86	0.49

ACME GLOVE

Adverse Conditions Militate Against Increased Earnings

Conditions surrounding Acme Glove Works have not been conducive to profitable operations over the past two years, and the income account for both 1931 and 1932 showing a loss on operations before depreciation.

Last year the demand for low-priced goods had the effect of reducing the company's turnover by 13.6 per cent as compared with a reduction of 21.6 per cent in 1931 from the preceding year. The deficits of the past three years have resulted in the wiping out of a surplus of $52,381 and the setting up of a profit and loss account deficit of $24,464.

The company is fortunate in not having any funded debt charges to meet, its capital structure consisting of two types each of preferred and common stock. No dividends have been paid on the first and cumulative preferred shares since March, 1931.

Retire Some Preferred

Acme Glove has been able to maintain a good working capital position; a fact which enabled it to retire 4,296 of the first preference shares in 1932. There are outstanding at present 10,704 shares of $50 par first preferred shares; $6,000 shares of second preferred and 15,000 shares of no par value Class B common shares. All of the A stock is reserved for conversion of the first preferred shares.

As far as its current position is concerned, the company carried forward into 1933 inventories valued at $553,104.

Capitalization—	Authorized	Outstanding
1st pref. .... (Par $50).	$750,000	$535,200
2nd pref. .... (Par $50).	300,000	300,000
Com. class "A"..	15,000 shs.	
Com. class "B".. (No par value).	30,000 shs.	15,000 shs.

Class "A"—All reserved for the conversion of the first preferred.
Class "B"—12,000 shares reserved for the conversion of the second preferred.

Funded Debt—
None.

Dividend Record—
First Preferred—$3.25 per annum, cumulative, payable Mar., June, Sept. and Dec. 15. Initial dividend paid June 15, 1929. Payment due Mar. 15, 1931, passed. None since.
Second Preferred—$3 per annum, noncumulative, payable Mar., June, Sept. and Dec. 15. Initial dividend paid June 15, 1929, and regularly to and including Sept. 15, 1930; since passed.
Class "B" Common—None paid.

Officers and Directors—
Officers—J. D. Ouellette, pres. and man. dir.; A. Lepine, asst. man. dir. and sec.-treas.
Directors—J. D. Ouellette, A. Lepine, H. D. Dwyer, F. G. Donaldson, I. I. Bruck, E. Lavoie, Montreal; W. Burke, Joliette, Que.

Earnings per Share and Div. Record:

	1932	1931	1930
First pref.: Earn.	nil	nil	nil
Paid	nil	nil	$3.25
Second pref.: Earn. ..	nil	nil	nil
Paid	nil	nil	2.25
Cl. "B" com.: Earn...	nil	nil	nil

None paid.

WINDSOR WEAR
For Men
EVANGELINE SILK-TEX
For Women
The Aristocrats of Under Garments

Windsor Wear FOR MEN
FOR WOMEN Evangeline BRAND

Made by
Nova Scotia Textiles Limited
WINDSOR, NOVA SCOTIA

Mill at Paris, Ont.

PROGRESS AND PRESTIGE

For over 60 years, Penmans have been leaders in the textile industry, employing Canadian labor and materials, scrupulously observing their original policy of sound workmanship, quality materials and economical prices.

Today Penmans Products are internationally famous for unvarying quality and long, dependable service — a standard among thrifty Canadians for the smartest styles, latest colors and newest patterns in hosiery, underwear, bathing suits, fashionable lingerie and sports garments.

Officers and Directors
Chairman:
SIR CHARLES GORDON, G.B.E.
President: R. S. MORRICE
Vice-President: A. F. BAILLIE
General Manager: H. W. LUNDY
Secretary-Treasurer: C. B. ROBINSON

Penmans LIMITED
PEN ANGLE

Penmans Limited
Head Office: Paris, Ont.
Factories at Paris, London, Brantford and Waterford, Ontario; St. Hyacinthe and Coaticook, Que.

DROP IN RAW MATERIALS AFFECTS DOLLAR VALUE OF TEXTILE TRADE

PRINCIPAL STATISTICS OF THE COTTON TEXTILE INDUSTRY BY SECTIONS — 1931

	Cotton yarn and cloth*	Cotton thread	Cotton batting and wadding	Cotton and wool waste	Cotton goods N.E.S.	TOTAL
Establishments .....No.	34	5	6	14	34	93
Capital invested ......$	74,023,179	4,036,204	1,366,925	813,063	1,943,741	82,183,112
Employees on salary ...	514	88	17	40	94	753
Male ....No.	405	64	13	27	66	575
Female ....No.	109	24	4	13	28	178
Salaries ....$	1,171,278	188,244	58,934	81,750	172,251	1,672,457
Employees on wages ...	15,288	562	108	164	702	16,824
Male ....No.	9,013	159	86	92	223	9,573
Female ....No.	6,275	403	22	72	479	7,251
Wages ....$	11,190,754	424,694	97,785	112,943	459,357	12,315,533
Cost of fuel and electricity ....$	1,566,286	53,448	15,909	23,869	29,512	1,689,024
Power installed—						
Units ....No.	3,113	344	45	54	210	3,766
Capacity ........H.P.	81,770	1,873	580	921	543	85,687
Cost of materials .....$	22,231,449	1,299,332	402,152	898,609	1,379,166	26,210,708
Gross value of products $	43,136,423	3,308,520	721,782	1,285,120	2,535,087	50,986,932
Net value of products..$	20,904,974	2,009,188	319,630	386,511	1,155,921	24,776,224

*Oilcloths and linoleums not included as in former years.

IMPORTS OF TEXTILE PRODUCTS

(Fiscal years 1926-1932)

	U. K.	U. S.	All countries
TOTAL COTTON AND ITS PRODUCTS			
1926	$16,128,699	$43,599,436	$62,474,874
1927	15,133,478	35,525,792	54,149,009
1928	13,796,837	40,669,125	58,322,542
1929	13,616,887	40,266,761	63,293,783
1930	11,843,311	38,614,227	54,065,055
1931	8,464,495	23,424,230	35,263,489
1932	6,391,155	14,706,363	23,942,066
TOTAL WOOL AND ITS PRODUCTS			
1926	36,304,734	3,847,595	46,036,182
1927	39,101,610	3,428,240	50,575,753
1928	37,364,117	2,676,191	48,832,356
1929	41,115,840	3,601,113	54,428,616
1930	35,040,366	3,021,193	46,644,026
1931	25,312,849	1,911,648	33,637,656
1932	14,710,046	847,084	19,597,697
TOTAL SILK AND ITS PRODUCTS			
1926	2,506,452	8,025,233	25,541,363
1927	2,446,082	8,297,660	30,079,476
1928	2,280,572	8,603,718	29,963,007
1929	1,616,425	10,700,312	29,615,120
1930	1,329,586	11,922,663	27,967,557
1931	786,458	9,488,568	18,880,607
1932	383,541	7,569,868	12,903,962
TOTAL FLAX, HEMP AND JUTE PRODUCTS			
1926	6,014,919	5,085,959	16,887,193
1927	6,005,792	3,316,038	14,255,758
1928	6,653,391	2,749,804	15,122,116
1929	7,153,973	1,871,310	15,854,434
1930	6,611,817	2,082,129	14,716,510
1931	4,586,170	1,647,748	10,472,115
1932	3,301,003	894,659	7,671,578
TOTAL FIBRES, TEXTILES AND TEXTILE PRODUCTS*			
1926	70,153,478	79,115,464	184,761,831
1927	72,713,473	66,964,208	183,583,931
1928	71,464,176	69,430,521	186,995,814
1929	77,021,060	81,889,787	206,444,044
1930	68,243,821	71,997,597	185,241,252
1931	49,199,666	48,251,873	130,717,022
1932	30,549,937	30,944,027	83,879,362

*Including articles not listed above.

SUMMARY OF SILK INDUSTRY — 1931

Establishments	No.	23
Capital Employed		$32,205,207
Employees on salaries —		
Male	No.	427
Female	No.	186
Salaries	$	1,212,984
Employment on wages — Average number —		
Male	No.	3,032
Female	No.	2,628
Wages	$	4,546,011
Power installation —		
Cost of fuel and electricity	$	264,154
Units	No.	13,296
Capacity	H.P.	13,970
Cost of materials	$	6,482,197
Gross value of products		$18,187,492
Net value of products		$11,705,295

SUMMARY OF KNIT GOODS AND HOSIERY INDUSTRY — 1931

Establishments	No.	170
Capital		$58,192,856
Employees on salaries	No.	1,360
Male	No.	827
Female	No.	533
Salaries	$	2,707,603
Wage-earners (average number) —		
Male	No.	5,300
Female	No.	11,366
Wages		$11,460,659
Cost of fuel and electricity	$	681,047
Power installation —		
Units	No.	2,764
Capacity	H.P.	17,608
Cost of materials		$22,426,118
Gross value of products		$48,517,044
Net value of products		$26,090,926

SUMMARY OF WOOLLEN TEXTILE INDUSTRIES BY SECTIONS — 1931

	Woollen cloth	Woollen yarn	Carpets, mats and rugs	Woollen goods N.E.S.	Total woollen textile industries
Establishments ....No.	54	28	21	23	126
Capital invested ....$	22,027,056	6,281,965	7,245,414	7,532,239	43,086,674
Employees on salaries	430	93	198	103	824
Male ....No.	327	67	155	80	629
Female ....No.	103	26	43	23	195
Salaries ....$	863,112	179,948	426,882	259,582	1,729,524
Employees on wages—					
Average of	4,147	1,457	922	858	7,384
Male ....No.	2,305	630	567	641	4,143
Female ....No.	1,842	827	355	217	3,241
Wages ....$	3,317,332	942,644	764,583	671,552	5,696,111
Cost of fuel and electricity.......$	394,220	91,624	77,509	85,612	648,965
Power employed—					
Units ....No.	1,388	176	316	285	2,165
Capacity ..........H.P.	12,802	2,654	2,232	8,581	26,269
Cost of materials ....$	6,219,386	2,209,645	1,328,420	1,734,476	11,491,927
Value of products ....$	13,105,535	4,547,749	3,518,511	4,284,244	25,456,037
Value added by manufacture......$	6,886,147	2,338,104	2,190,091	2,549,768	13,964,110

EXPORTS OF TEXTILE PRODUCTS

(Fiscal years 1926-1932)

	U. K.	U. S.	All countries
TOTAL COTTON AND ITS PRODUCTS			
1926	$ 185,559	$ 135,431	$1,291,012
1927	148,362	59,824	631,431
1928	423,532	65,750	1,009,560
1929	127,232	35,538	701,806
1930	218,175	19,917	842,588
1931	203,268	26,795	763,679
1932	191,341	12,533	729,445
TOTAL WOOL AND ITS PRODUCTS			
1926	27,710	2,474,817	2,855,845
1927	109,982	1,469,083	1,822,168
1928	733,298	2,414,259	3,506,838
1929	222,550	2,625,865	3,256,693
1930	234,517	1,434,381	2,025,655
1931	113,923	405,086	872,582
1932	341,006	253,866	713,499
TOTAL SILK AND ITS PRODUCTS			
1926	94,100	20,679	247,200
1927	4,259	6,512	81,166
1928	856	6,823	137,358
1929	1,980	7,463	724,610
1930	999	14,487	153,280
1931	1,121	7,442	96,416
1932	1,462	2,847	54,351
TOTAL FLAX, HEMP AND JUTE PRODUCTS			
1926	11,025	102,196	143,866
1927	2,132	99,752	108,124
1928	663	51,703	81,804
1929	4,766	34,999	49,583
1930	2,441	20,706	31,072
1931	891	9,034	15,974
1932	922	4,876	7,891
TOTAL FIBRES, TEXTILES AND TEXTILE PRODUCTS*			
1926	1,244,060	4,621,774	8,840,046
1927	860,030	3,451,081	7,665,563
1928	1,896,794	4,922,004	10,904,073
1929	810,836	4,930,498	9,678,019
1930	976,568	3,961,130	9,066,226
1931	1,048,925	2,068,531	6,504,182
1932	1,386,235	1,743,794	5,512,130

*Including articles not listed above.

MONARCH KNITTING

Strong Financial Position Maintained Though Profit Low

Monarch Knitting Co. has factories at Dunnville, St. Thomas and St. Catharines, Ont., and manufactures heavy and fancy knitted goods, lingerie and hosiery. Sales offices and warehouses are maintained from coast to coast. While operating profits have been low in the past three years and dividends on the preferred stock have not been paid since November 1, 1930, reserve for depreciation has always been provided and working capital has been increased.

The company shows a strong financial position and as one of the important units in the industry is expected to benefit by improved conditions in the trade.

Capitalization—	Authorized	Outstanding
Common	$1,275,000	$1,275,000
Pref. 7% cum. ..	750,000	750,000

Shares $100 each.

Funded Debt—
None.

Dividend Record—
Preferred—7 per cent per annum, payable quarterly, Feb., May, Aug. and Nov. 1. Payment due Feb., 1931, passed; none since. Dividends were in arrears from Jan. 31, 1925, but were resumed on May 1, 1929, and paid during 1929 and 1930. As at Dec. 31, 1932, the preferred was 43 1-6 per cent in arrears.
Common—None since 1921.

Officers and Directors—
Officers—J A. Burns, pres.; T. A. Russell, vice-pres.; W. J. Appleyard, sec.
Directors—J. A. Burns, Dunnville, Ont.; T. A. Russell, A. E. Ames, F. H. Deacon, G. C. Biddle, Toronto.

Earnings per Share and Dividend Record—

	1932	1931	1930
Pref.: Earned	$1.62	$2.12	....
Paid	....	....	$7.00
Common: Earned ..	....	....	....
None paid.			

Seven Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1926	*32,682	......	385,276
1927	*78,046	......	456,953
1928	*123,140	......	570,274
1929	147,642	39,375	645,426
1930	†59,613	52,500	498,813
1931	52,511	......	514,196
1932	47,165	......	526,361

†Loss.
*After all charges and provisions for depreciation.

Market Record—

	*1933		1932		1931	
	H	L	H	L	H	L
Com.	..	..	..	..	1	1
Pref.	30	20	30	20	38	38

*To June 7.

GUELPH CARPET

Redeemed Large Block of Preferred Stock and Resumed Common Dividend

Guelph Carpet & Worsted Spinning Mills maintained business on a sufficiently high plane during the year which ended September 30 to enable it to pay a dividend on the common stock. Dividends had been dropped at the end of 1931 in order to conserve cash but as net profits were little lower than in the preceding year a 50-cent dividend was paid on November 1, 1932.

The company redeemed 1,766 shares of preferred stock during the year, and this will make $10,000 less required for such dividends in the future.

The company has two plants in Guelph where it manufactures worsteds, weaving, machine and hand-knitted yarns and Saxony, Wilton, Brussels, tapestry, automobile and other carpets under the trade name "Brite Home."

Capitalization—	Authorized	Outstanding
Preferred	$2,500,000	$744,400
(Par $100).		
Common	125,000 shs.	35,000 shs.
N.p.v.		

Funded Debt—
None

Dividend Record—
Preferred—6½% per annum, cumulative from May 1, 1929, and payable Feb., May, Aug., Nov. 1. Initial dividend of 1⅝% paid August 1, 1929, and regularly since.
Common—No set rate. Initial payment of 25 cents per share paid Nov. 1, 1929, and regularly quarterly to and including Nov. 1, 1931; none thereafter until Nov. 1, 1932, when 50 cents was paid.

Officers and Directors—
Officers—H. Quarmby, pres.; Lt.-Col. E. Gerald Hanson, vice-pres.; B. F. Griggs, sec.-treas.
Directors — H. Quarmby, B. F. Griggs, Guelph, Ont.; Lt.-Col. E. Gerald Hanson, Montreal; Boyd A. C. Caldwell, Roland O. Daly, Toronto.

Earnings per Share and Dividend Record:

	1932	1931	1930
Pref.: Earned ...	$10.61	$10.61	$10.05
Paid	6.50	6.50	6.50
Com.: Earned ...	0.78	1.05	0.87
Paid	0.25	1.00	1.00

DOMINION TEXTILE

Operations of Canada's Dominant Organization Much Improved — Current Position Better — Dividend on Common Stock Placed on a Lower Basis

Operations of Dominion Textile Co., dominant organization in the Canadian textile industry, at present are running about 85 per cent of capacity in contrast with 72 per cent a month ago. A steady and increased demand for cotton yarn and fabrics has enabled the company to step up operations at all of its plants and provide employment for a larger number of workers. Further improvement in the company's position also is seen in the rise in cotton prices which has enhanced inventory position in a substantial manner.

Sales of the company for the year ended March 31, 1933, had a value of $11,463,646, a decline from the previous year of 7.28 per cent in value and a decrease of 4.75 per cent in the volume of merchandise handled. The value of sales for the 1933 fiscal year were the lowest of any year since 1916, when they totalled $10,438,099. The volume of business handled, of course, was substantially higher than in 1916, owing to the much smaller value per sales unit.

Cut Dividend Rate

Net profit from operations amounted to only $367,215, while income from investments aggregated $550,829, making a total revenue for the year $918,044. This was sufficient to take care of bond interest and preferred stock dividend but fell substantially short of the dividend on the common stock which amounted to $1,282,500.

Following omission of common dividends by Montreal Cottons, in which it has a substantial stake, Dominion Textile Co. reduced the disbursement on its own common stock from a previous rate of $5 to $4 a share, effective with the quarterly payment on April 1 last. The $5 rate had been maintained from 1926 to 1932.

Details of Dominion Textile's investment in Montreal Cottons has not been made public but it is known the company holds a large block of the latter company's $3,000,000 of common on which dividends at the rate of 6 per cent had been paid regularly until the beginning of this year when they were omitted.

It has recently been intimated by the president that if the improvement in business continues it will not be necessary to reduce the dividend any further.

Balance Sheet Changes

Several important changes took place in Dominion Textile's financial position last year. A sum of $1,000,000 was transferred from surplus account to take care of depreciation of investments, which are now carried on the books at $3,665,969, compared with slightly over $5,000,000 at the end of the previous year. Investments and advances to subsidiaries have advanced from $5,837,208 to $6,104,599. Loans have been reduced from $2,490,914 to $1,848,941. This money is repayable in American funds and to take care of possible premium a reserve has been set up.

Holds Dominant Place

The position occupied by Dominion Textile in the industry is seen in the fact that it operates eight cotton mills producing, in all, over 3,000 different lines of goods. In addition, practically every variety of yarn is manufactured. Over 538,000 spindles and 11,000 looms are installed in its factories, while the company operates its own plant at Magog, supplying power requirements at that point.

Capitalization—	Authorized	Outstanding
Common	350,000 shs.	270,000 shs.
No par value.		
Pref 7% cum. ..	$2,000,000	$1,940,600
Par $100.		

Funded Debt—
First and refund. mortgage 6 per cent bonds, due Sept. 1, 1949, $4,837,000. The company has guaranteed the issue of $1,600,000 5½ per cent bonds of the Drummondville Cotton Co.

Dividend Record—
Preferred—7 per cent per annum paid regularly, quarterly, Jan., Apr., July and Oct. 15.
Common—Present rate $4 per share per annum, payable quarterly, Jan., Apr., July and Oct. 1. Initial dividend at this rate paid Apr. 1, 1933. Former rate was $5 per annum, having been increased from $1 to $1.25 per share, Apr. 1, 1925.

Officers and Directors—
Officers—Sir C. B. Gordon, chm.; F. G. Daniels, pres. and man. dir.; Sir H. S. Holt, vice-pres.; L. P. Webster, sec.; R. A. Lang, treas.; W. A. Eversfield, asst. sec.-treas.
Directors—J. P. Black, Sir C. B. Gordon, Sir H. S. Holt, F. G. Daniels, W. A. Black, G. B. Gordon, Montreal; Sir F. Williams-Taylor, London, Eng.

Times Bond Int. Earn.—Yrs. end. Mar. 31

1933	1932	1931
3.14	5.51	6.01

Earnings per Share and Div. Record—

	1933	1932	1931
Pref.: Earn.	$32.06	$68.72	$77.47
Paid	7.00	7.00	7.00
Com.: Earned	1.80	4.44	5.06
Paid	4.75	5.00	5.00

Seven Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1927	2,101,896	1,260,842	6,529,987
1928	1,903,832	1,260,842	6,862,657
1929	1,976,668	1,316,692	7,211,415
1930	2,079,931	1,485,646	7,498,035
1931	1,807,304	1,485,842	7,515,562
1932	1,633,526	1,485,842	7,363,266
1933	918,044	1,418,342	5,567,123

Market Record—

	*1933		1932		1931	
	H	L	H	L	H	L
Com.	64	39	63¼	30	83	63
Pref.	100	93¼	105	70	123	120

*To June 8.

WOODS MFG.

Earnings Show Appreciable Increase During Past Year

After a series of operating losses, Woods Manufacturing Co. last year was able to show sufficient net earnings to take care of depreciation, bond interest and a balance of $3.06 a share available for the issued preferred stock.

The company, which is engaged in the manufacture of jute and cotton products, has had unfavorable experiences with the purchase of raw materials. The resulting losses caused the company to defer dividends on its preferred stock since the beginning of 1931.

The financial position of the company was strengthened last year. Working capital is on a satisfactory basis with current assets exceeding current liabilities in a ratio of 5.53 to 1. A noteworthy change in the balance sheet was the writing down of goodwill from $1,673,941 to $1. This was effected through changing the par value of the common shares from $100 to no par value and a reduction of the paid-in value by $1,673,940 which was applied in writing down the value of goodwill.

Capitalization—	Authorized	Outstanding
Com., n.p.v. ..	24,920 shs.	17,106 shs
Preferred	2,481,800	1,528,300
Par $100.		

Funded Debt—

1st mtge. 6% bonds, ser. 'A' due 1943	2,000,000	687,000

Dividend Record—
Preferred—7 per cent per annum, payable quarterly, Jan., Apr., July and Oct. 1. Passed Apr. 1, 1931. None since
Common—Last paid Sept., 1923.

Officers and Directors—
Officers—T. Mitchell, vice-pres. and gen. mgr.; Harold Crabtree, vice-pres.; J. T. F. Keene, sec.-treas.; R. M. Stott, asst. gen. mgr. and asst. sec.-treas.
Directors—S. E. Woods, Ottawa; Glyn Osler, Toronto; Thomas Mitchell, J. W. Pyke, Harold Crabtree, W. A. Eden, Montreal; G. S. Browne, Westmount, Que.

Times Bond Interest Earned—

	1932	1931	1930
Before deprec.	2.93	...	...
After deprec.	2.14	...	...

Earnings per Share and Div. Record:

	1932—	1931	1930
Pref.: Earned	3.06	...	..
Paid	...	...	$7.00
Com.: Earned	...	...	...
None paid.			

Seven Years' Earnings:

Year	Earnings	Dividends	Surplus
1926	†$28,486	$106,981	$206,153
1927	229,678	106,981	225,967
1928	281,043	106,981	295,912
1929	222,266	106,981	314,178
1930	*69,208	106,981	71,859
1931	*30,666	......	200,591
1932	123,699	......	247,347

*Loss.
† After writing off losses from depreciation in market values of cotton and jute.

Market Record—

	*1933		1932		1931	
	H	L	H	L	H	L
Com.	..	..	..	..	..	..
Pref.	..	..	..	..	40	36

* To June 8.

Paton Manufacturing Co.

Since controlling interest in the Paton Manufacturing Co., owners and operators of a woollen plant at Sherbrooke, passed into the hands of Dominion Textile Co., no financial or operating statements have been issued so that it is not possible to give an adequate review of the company's position.

Capitalization—	Authorized	Outstanding
Common	10,000 shs.	10,000 shs.
(No par value).		
Pref. 7% cum. ...	$600,000	$600,000
(Par $100).		

Both stock issues are closely held.

Funded Debt—
First mortgage, 6 per cent bonds, due 1953; outstanding $744,200.

Dividend Record:
Preferred—7 per cent per annum, cumulative, payable quarterly, March, June, Sept. and Dec. 1. Paid regularly since June 1, 1923.
Common—None reported.

Officers and Directors—
Officers—F. G. Daniels, pres. and man. dir.; J. M. Mackie, vice-pres.; J. H. Webb, sec.-treas.; A. F. Anderson, asst. sec.-treas.
Directors — F. G. Daniels, J. M. Mackie, J. N. Laing, Sir C. B. Gordon, Sir Herbert S. Holt, A. J. Brown, all of Montreal.

MONARCH-KNIT

KNITTED OUTERWEAR
for Men, Women and Children
Ladies' Full Fashioned Hosiery
Men's Silk and Wool Socks
Seamless Hosiery for Women and Children
HAND KNITTING YARNS

The Monarch Knitting Company, Ltd.
Factories at Dunnville, St. Thomas, St. Catharines
Head Office: Dunnville, Ont.
Branch Offices:
Toronto, Hamilton, Ottawa, Winnipeg, Calgary, Vancouver, Moncton
also
The Monarch Knitting Company of Quebec Limited
Confederation Building, Montreal

HAMILTON COTTON

Company Maintained Physical Volume But Prices Were So Low as to Make Profitable Operations Impossible

Hamilton Cotton Company, with head office and plant at 304 Mary Street, Hamilton, Ont., held the physical volume of its business at practically the same level in 1932 as in the preceding two years. The continual fall in prices made profitable operations impossible, however, in spite of substantial manufacturing economies. The company had a deficit of $48,596 after bond interest in 1932, whereas, in all previous years since the bonds were issued, bond interest had been covered with a substantial margin.

The company also has a contingent liability of $315,000 because of its guarantee of Trent Cotton Co. bonds. The president, Alan V. Young, at the annual meeting stated that the operations of Trent Cotton Co. had been satisfactory in 1932. The company's contingent liability was therefore reduced by $42,000.

Hamilton Cotton Co. spins, weaves and manufactures a diversity of products including elastic webbing, webbings for straps, yarn and twine, cordage cotton products such as clothes lines, sash cords, and cotton cloth such as overall cloth, denims, etc. The company spins all its own yarns and has a surplus of 55 per cent which is sold. It also does all its own dyeing and bleaching.

Capitalization—	Authorized	Outstanding
Common	$600,000	$600,000
Preferred	600,000	584,910
(Par value $30).		

Funded Debt—
First mtge. 5½ per cent series "A" bonds, due 1948, $844,000.
Preference—Entitled to $2 per share per annum, payable Jan., April, July and Oct. 1. Initial dividend paid July 1, 1928, and regularly to and including Oct. 1, 1931; none since.
Common—None paid.

Officers and Directors—
Officers—A. V. Young, pres. and gen. mgr.; J. V. Young, vice-pres and treas.; J. C. Burns, asst. treas.; J. Bowstead, sec.
Directors—A. V. Young, J. V. Young, W. S. Burrill, M. B. Holton, F. Allen, Hamilton; D. Stewart, H. R. Tudhope, Toronto.

Times Bond Interest	1932	1931	1930
Earned	0.02	1.06	1.86

Earnings per Share and Dividend Record—

	1932	1931	1930
Pref: Earned†	nil	$0.17	$2.32
Paid	nil	1.50	2.00
Common: Earned† ..	nil	nil	0.31
None paid.			

†Before deduction of income tax.

Five Years' Earnings—

Year	*Earnings $	Dividends $	Surplus $
1928	186,844	30,000	282,687
1929	137,451	39,360	317,013
1930	97,942	39,152	320,114
1931	54,797	29,268	293,056
1932	†904	......	242,818

*After depreciation.
†Including $22,710 profit from purchase of company's bonds, less adjustments and after deduction of depreciation, $56,044.

Market Record—

	*1933		1932		1931	
	H	L	H	L	H	L
Pref.	5½	4	10	6	19	8

PENMANS LTD.

Improved Earnings in 1932 Although Sales Were Lower

Penmans Ltd., one of the important Canadian manufacturers of all kinds of woollen, cotton and knit goods, experienced further reduction in sales volume during 1932 but had reduced losses on inventories and was therefore able to show an increase in net earnings. The extremely strong financial position of the company has permitted the continued payment of common dividends although the rate was reduced to $3 per share in February, 1932. Working capital position has been maintained in the past few years and current assets include cash, investments and receivables that give the company a good liquid position.

Conditions in the textile industry since 1929 have affected the company's sales, which have declined from $7,122,864 in 1928 to $4,766,707 in 1932, a decrease of 33 per cent. Part of the decrease has been due to lower prices on merchandise and part is due to smaller demand. With increased prices already in effect on some lines and an improvement in purchasing power of the Canadian people the company can be expected to show improvement in earnings. Elimination of inventory losses appears likely in 1933 and this will further strengthen the company's position.

With mills in Paris, Brantford, Waterford and London, Ont., and Coaticook and St. Hyacinthe, Que., the company manufactures a wide range of woollen, cotton and silk knitted goods.

Capitalization—	Authorized	Outstanding
Common ...	75,000 shs.	64,518 shs
No par value.		
Preferred ...	$1,500,000	$1,075,000
Shares $100 each.		

Funded Debt—

First mtge. bonds, 5½% due 1951	$1,863,000

Dividend Record—
Preferred—6 per cent cumulative, payable Feb., May, Aug. and Nov. 1, paid regularly since 1907.
Common—$3 per share per annum, payable quarterly, Feb., May, Aug. and Nov. 15.
Rate reduced from $4 per annum with quarterly payment of 75 cents per share Feb. 15, 1932.
Officers—Sir Charles B. Gordon, chm. of board; R. B. Morrice, pres.; A. F. Baillie, vice-pres.; H. W. Lundy, gen. mgr.; C. B. Robinson, sec.-treas.
Directors—Sir Charles B. Gordon, R. B. Morrice, A. F. Baillie, J. N. Laing, H. B. MacDougall, J. P. Black, G. W. Grier, Montreal.

Ties Bond Int. Earned:

	1932	1931	1930
Before deprec.	3.97	2.85	3.03
After deprec.	3.06	...	...

Earnings per Share and Div. Record:

	1932	1931	1930
Preferred:			
Earned	$17.44	$13.49	$17.61
Paid	6.00	6.00	6.00
Common:			
Earned	1.91	1.25	1.93
Paid	3.00	4.00	4.00

Eight Years' Earnings—

Year	Earnings	Dividends	Surplus
1925	$618,099	$279,560	$1,384,737
1926	695,537	279,560	1,424,595
1927	720,571	344,078	1,539,831
1928	755,919	322,572	1,684,222
1929	675,729	322,572	1,774,657
1930	332,977	322,572	1,641,347
1931	313,578	322,572	1,463,809
1932	436,614	258,054	1,393,248

Market Record—

	*1933		1932		1931	
	H	L	H	L	H	L
Com.	43	20	35	20	73	31
Pref.	78	65	80	65	101	93

* To June 7.

STANFIELD'S

Maritime Woollen Firm Has Larger Profits in 1932

Though conditions in the woollen trade have not been as satisfactory as they might be over the past eighteen months, Stanfield's Ltd., of Truro, N.S., one of the oldest and largest manufacturers of woollen underwear and other lines in the Dominion, earnings for 1932 were on a slightly better basis than in the preceding year.

Under the present capital set-up Stanfield's has issued $400,000 of preferred stock and 10,000 shares of no par value common. Earnings on the new preferred totalled $1.82 a share in 1931 and $1.99 in 1932. No dividends have been paid, the directors adhering to a policy of building up reserves before undertaking the distribution of surplus earnings.

Capitalization—	Authorized	Outstanding
Common	12,000 shs.	*10,000 shs.
No par value.		
Preferred 6% ..	$400,000	*$400,000
Par $40.		

* All issued to shareholders in exchange for old common shares.

Officers and Directors—
Officers—Frank T. Stanfield, pres.; Hon. John Stanfield, vice-pres.; A. J. Campbell, sec.; E. H. Abbott, treas.
Directors — Hon. John Stanfield, Frank T. Stanfield, C. E. Stanfield, A. J. Fraser, A. S. Black, A. J. Campbell, H. F. Bethel.

Dividend Record—
Preferred—Entitled to 6 per cent per annum, non-cumulative. None paid to date.
Common—Not reported. Prior to 1930, dividends on the old common stock were $6 per share per annum.

Earnings per Share and Div. Record—

	1932	1931	1930
Earned	†$1.99	†$1.82	$15.69
Paid	nil	nil	6.00

† On new 6 per cent non-cumulative preferred stock.

Five Years' Earnings:

Year	Earnings	Dividends	Surplus
1927	$135,419	$40,000	$530,766
1928	166,199	40,000	641,965
1929	136,953	60,000	723,918
1931	*18,213	......	18,213
1932	*19,865	......	32,078

* New company. No report issued for 1930.

BILTMORE HATS

Biltmore Hats, which manufactures men's fur felt and velour hats at Guelph, Ont., obtained a satisfactory degree of progress in all departments in the year ended November 30, 1932. For the first time since 1929 the dollar value of sales showed a moderate increase over the preceding year. Profits were more than 2½ times dividend requirements on the preferred stock.

In the last few years the company has improved its working capital position materially, has paid off all bankers' advances and has improved operating efficiency.

Capitalization—	Authorized	Outstanding
Pref., cum., red.	$300,000	$256,500
Par $100.		
Com., n.p.v.	20,000 shs.	20,000 shs.

Dividend Record:
Preferred—7 per cent per annum cumulative from Mar. 15, 1929, and payable Mar., June, Sept. and Dec. 15. Initial quarterly dividend paid June 15, 1929, and regularly since. Common—None paid.
Officers—F. R. Ramsey, pres. and gen. mgr.; W. J. Tiller, vice-pres.; W. F. Franke, sec.-treas.
Directors—F. R. Ramsey, W. J. Tiller, W. F. Franke, P. Kerwin, Guelph, Ont.; A. G. A. Spence, Toronto.

Earnings per Share and Div. Record:

	1932	1931	1930
Pref.: Earned ...	$15.37	$12.93	$11.50
Paid	7.00	7.00	7.00
Com.: Earned‡ ...	0.98	0.74	0.60
None paid.			

‡After provision for redemption of preferred stock.

Insurance for Buyer and Seller

MEDICOS JUGGLE BIG WORDS FREELY AT ANNUAL MEET

Flappers and Fingerprints Among Weighty Topics Discussed

Flappers, kidneys, hearts, blood vessels, lungs and finger prints were playthings last week when leading Canadian insurance medicos joined with their professional brothers in the United States to discuss current problems in the life insurance business. Occasion was the annual meeting of the medical section of the American Life Convention.

"Statistics do not always tell the truth," warned Dr. John M. Livingston medical director of the Mutual Life of Canada. "While deaths from tuberculosis have decreased 36 per cent in the last decade this good news applies only to those under five years and between the ages of 25 to 44. The drop between ages 15 to 24 is but 18 per cent. There is an alarming increase in deaths from tuberculosis among girls as they get farther and farther beyond parental control of their habits." He undoubtedly meant flappers but didn't say so.

What are the symptoms of tuberculosis?

Dr. Livingston cites loss of weight closely related to tiredness as very important. This symptom he found present in 74 per cent of cases studied. Loss of appetite is frequently an early warning sign, being present in 54 per cent of the cases observed, while a pain in the chest other than pleurisy was present in 46 per cent.

Hard to Detect

Dr. J. Thornley Bowman, assistant medical director of the London Life led discussion of Dr. Livingston's paper and stressed the extreme difficulty of detecting tuberculosis at the early stages, "Its vague onset may be no more than the shadow of a fleeting cloud across the sun," he said. He expressed his own personal opinion that environment was far more important than heredity as a cause.

In the past five years, 5.5 per cent of the death claims paid by life companies were on persons who died of tuberculosis and one of every 10 such deaths were within 3 years of the date the policies were issued, according to Dr. A. J. Robinson of Hartford. About 10 per cent of disability claims under life policies in the same 5-year period were from tubercular persons and 18 per cent of these claimants became disabled within one year of the date they were examined for life insurance.

J. B. Mabon, associate actuary of the Sun Life of Canada told about the worries of life companies and the need for tightening up medical examination in a paper entitled: "Premeditated Selection Against the Life Company." "The problem ranges from definite fraud to simple ignorance," he said, "and the fraudulent proposals are not confined to any one classification of society by wealth or social position."

Rejection Slips Plentiful

Rejection slips now go to one out of every six life applicants said John R. Hastie, of Chicago, discussing Mr. Mabon's remarks. Formerly the ratio was one out of nine. "Why?" he was asked. Here's his answer.

"Undoubtedly, the strain of the last three or four years has fallen heavily on the heart, the blood vessels and the kidneys. The heart is the pumping engine, the blood vessels are the pipes, and the kidneys are the filtering system. Impairments of these important organs have raised big problems for the insurance companies. However, even so, there seems to be a variance in practice among the company underwriters. Some seem to be more liberal than others. Some more conservative.

"Who is right? Who is wrong? Cannot greater uniformity be expected? It would seem that medical directors should be able to agree on the major problems of selection. Almost any well-informed life underwriter can 'shop around' on border line cases and succeed in placing business elsewhere on a standard or slightly rated basis."

He touched on the possibility of companies taking finger prints of all applicants for life insurance to ensure positive identification and to prevent the substitution of another person in physical examinations.

Established 1869

Strength • Stability •

Assurances in Force (Dec. 31, 1932)..$517,967,974.00
Assets $132,198,392.72
Surplus Funds and Contingency Reserves, $11,853,105.72

A Purely Mutual Company

Every dollar of surplus earnings belongs to policy-holders and is either actually paid or allotted as cash dividends or held in trust for future distribution.

THE
MUTUAL LIFE
Assurance Company
OF CANADA
HEAD OFFICE - WATERLOO, ONT.

THE
MONARCH LIFE
ASSURANCE COMPANY
A PROGRESSIVE CANADIAN COMPANY

Special Reserves and Surplus
OVER ONE MILLION DOLLARS

Offices in Principal Canadian Cities

Fire Marshal Body Urges Federal Match Legislation

Annual Meeting Seeks to Revive Important Measure Passed By Senate in 1922—Rudland New President

A unanimous resolution that federal legislation in respect of the manufacture of matches in Canada be introduced at the next session of parliament featured the annual meeting of the Association of Canadian Fire Marshals held at Quebec last week. The resolution arose out of discussion of the Canada Match Co. fatality at Hull this spring in which six lives were lost.

The legislation which is to be recommended by the fire marshals is very similar in form to an act which was presented to parliament in 1922 and which passed the Senate in that year. Subsequently however it was sent to the Banking and Commerce committee of the Commons where it was given a six months hoist and was afterwards withdrawn when representatives of Canadian manufacturers made representations to the committee that they would voluntarily abide by any regulations established by the Department of Insurance for the betterment of their product if the legislation was not proceeded with any further.

To Standardize Product

The act had as its purpose to "standardize and regulate the importation, storage, sale and distribution of matches in Canada." The plan as set down by the fire marshals in session in Quebec is understood to be the introduction of a skeleton act of control for federal legislation, such an act to be supplemented by additional provincial legislation wherever it is found necessary.

A customary feature of the proceedings was the presentation of the annual statistical report on fire losses by the Dominion Fire Commissioner, J. Grove Smith. Insured property values, according to Mr. Smith, declined no less than $900,000,000 during the year. The total for 1932 was given as $10,998,647,000 — an unprecedented decline from the corresponding figure of $11,890,342,000 in 1931.

Average Premium Lower

The 1931 total was the peak figure for the past decade, having risen from a total of $8,828,000,000 in 1924. Insured loss per $100 of value was 33 cents against 31 cents the previous year and 42 cents in 1924. Average rate of premium showed a further decline to 79 cents per $100 of insured value. In 1931 this figure was 80 cents and back in 1924 it was as high as $1.02.

The report commented on the fact that while insured property losses were lower by almost $1,000,000 in 1932, insured losses were less by almost $4,000,000. About 84 per cent of the total loss was covered by insurance whereas the proportion in 1931 was only 76 per cent.

New officers elected for the year were: J. A. Rudland, fire marshal of Nova Scotia, president; R. D. Walsh, municipal fire commissioner of Montreal, vice-president; and J. E. Ritchie, of the Ontario Fire Marshal's department, secretary-treasurer.

No meeting of the Canadian Fire Prevention Association was held this year as is customary.

New Manager For Economical Is F.W. Snyder

New guiding hand for Waterloo's 62-year Economical Mutual Fire Insurance Co. is F. W. Snyder. He has been appointed general manager of the company to succeed the late W. H. Schmaltz, who held that position for over 30 years. Mr. Snyder was formerly secretary-treasurer of the company.

F. W. SNYDER

Economical Mutual was established in Berlin, Ont., in 1871. The mayor, sheriff and local member in the provincial parliament were appointed to "open a book in which all freeholders . . . may sign their names and enter sums for which they respectively bind themselves to effect insurance." Policies were written in English or German on the mutual or assessment plan. There were two branches, the village and the farm risks until, in the early eighties, township mutuals became so numerous that the Economical discontinued the farm business.

Latest figures show the company to now have total assets of $1,747,000 and a net amount at risk of $57,885,000 at the end of 1932. Surplus of assets over liabilities totals $1,477,000.

LIVERPOOL & L. & G. INCREASES SURPLUS

Dwelling House Losses in United States Higher Than Expected

Many losses on risks of "preferred" class in the United States, notably private dwelling houses and contents, from which large losses are not anticipated, is the feature of the report of the fire department of the Liverpool & London & Globe Insurance Co. Premiums of this department were $20,474,375 in 1932 compared with $22,405,795 in 1931 and losses were $10,297,565. After expenses and reserves a balance of $1,172,395 was transferred to profit and loss making this fund $17,064,750.

Accident and miscellaneous department premiums were $24,293,700 compared with $26,995,720 in 1931 while claims were $16,562,105. A loss of $614,950 had to be absorbed by profit and loss and reduced this account to $29,750,805.

Total underwriting surplus of all departments (including life) after making full provision for all outstanding liabilities and reserves for unexpired risks was $814,400 in 1932, total surplus being increased to $127,834,440.

'Peg Court Rules Deafness Ranks as Total Disability

Deafness which prevents a person from carrying on his or her original occupation has been established as permanent disablement as far as the total disability clause of life insurance is concerned by the recent decision of Justice Taylor in Winnipeg.

Judgment for the plaintiff was given in a case against the Metropolitan Life Insurance Co., the claim for total disability benefit being based on loss of hearing in the case of a locomotive engineer through explosion of warning signals. The deafness prevented the plaintiff from carrying on his usual occupation.

According to insurance executives the exact significance of this judgment is not apparent as the type of policy is not mentioned in the Winnipeg report and no further details are available at present. If the policy was one of a group and the employee was an old man the judgment has precedent but otherwise it does not fall in line with the rider attached to disability benefits which states that total disability must be such as would make any type of employment impossible.

Intruder Jars Quiet Harmony Of June Wedding

June is the proverbial month for brides—and likewise bride grooms—which makes the following little story particularly apropos at the present time.

It comes from the pages of a monthly bulletin of the Dominion Life Insurance Co. of Waterloo.

"It is June, 1983, the church is quiet and bedecked with fernery and flowers, the atmosphere is tense. There is a feeling of awe and an awareness of eager interest. The sonorous voice of the officiating cleric falls on the ears of the assembled company who, with craned necks, lean forward to catch every word. The ceremony is nearly over, everything has gone splendidly. The stentorian voice rumbles on, 'If anyone can give just cause why this man and this woman should not be joined together in holy wedlock, let him now speak — or forever hold his peace.' There is a slight formal pause and the cleric inhales deeply preparing to continue . . . .

"At this point the silence is broken by a great clamor. The doors of the church burst open and a prominent business man speeds down the aisle with hand raised. 'Stop!' he cries in a voice which shakes the cathedral walls. The company rises and all eyes are turned to the intruder and to the three principals at the altar rail.

"The groom looks shamefacedly at the life insurance man, the bride is pale and sways a little from side to side, her bouquet falls crumpled at her feet. The rector speaks demandingly, 'Young man, why do you interrupt?'

"'Because there is just cause why this ceremony should be stopped. Look at the groom. His confusion attests to my veracity. — He has enough to support a wife, but he has nothing with which to support a widow.'

"'Ah,' murmured the audience, 'for shame!'

"'So,' said the rector, losing his dignity, 'The groom is an ungrateful scoundrel, eh? Have you an application with you, young man? This is 1983, we have emerged from the dark ages. Here, sign on the dotted line.' It is done.

"'O.K.,' said the salesman, 'Continue the wedding.'

"'Right,' said the cleric."

Insurance Inklings

GARNET W. HAMILTON has been appointed branch manager for Owen Sound and district for the Continental Life Insurance Co. Mr. Hamilton was formerly associated with the Mutual Life of Canada, Owen Sound.

A. MACKENZIE, manager of agencies, Manufacturers Life, and A. G. RAMSAY, assistant general manager of the Canada Life, have been appointed representatives of the Canadian Association of Life Agency Officers to the Joint Committee of the C. L. U. A., C. L. I. O. A. and the C. A. L. A. O.

J. H. CASTLE GRAHAM, director of field service, London Life, addressed the Life Underwriters' Association of Toronto, on June 51, the subject of his address being "The Pros and Cons of Direct Mail." Mr. Castle Graham is well-known in insurance circles throughout the Dominion through his activities as corresponding secretary of the Life Underwriters' Association and later as managing editor of the Life Underwriters' News. Mr. Castle Graham joined the London Life in 1924.

Licenses Issued

National Surety Corp. has been granted a certificate of registry authorizing it to write insurance against loss through the acceptance of cheques or counterfeit money or through any kind of fraud practised on the assured in the course of his regular business, in addition to the classes for which it is already registered.

Canadian Fire Insurance Co. has been issued a certificate of registry authorizing it to write earthquake insurance and insurance against bodily injury and death by accident, in addition to the classes for which it is already registered.

P. E. I. Makes Active Move In Insurance

H. R. Stewart, deputy provincial secretary-treasurer of Prince Edward Island, is the latest addition to the ranks of provincial insurance superintendents in Canada. His appointment as superintendent of insurance for P. E. I. was announced recently.

H. R. STEWART

According to Mr. Stewart, this province does not intend to create an expensive insurance department, but by designating one of its permanent officials as superintendent, plans to co-operate with other provinces in promoting uniformity of legislation and practice throughout Canada.

For years the bulk of provincial insurance activity has centred in Ontario and Quebec and, although the four Western provinces all maintain individual insurance departments, they have been relatively unimportant in the Canadian insurance picture.

Previous to the appointment of Mr. Stewart, the Maritime Provinces have taken comparatively little interest in insurance matters, although the trend of jurisdiction legislation in recent years has placed more and more responsibility on the provinces which has been in large part responsible for the growing provincial interest in insurance matters.

CANCER RANKED MOST IMPORTANT CAUSE OF DEATH

Great-West Claims Analysis Shows Details of 1932 Losses

That approximately one-third of the death claims paid by Great West Life Assurance Co. in 1932 were on policies on which between 11 and 20 premiums had been paid, is one of the interesting features of an analysis of death claims in that year made recently by this company. Out of nearly $4,000,000 paid to beneficiaries by the company in 1932, over 50 per cent of the policies becoming claims had only from one to ten premiums paid.

The company paid 983 claims during the year for a total amount of $3,923,276. The analysis groups these claims according to the number of premiums paid and also by cause of death.

Cancer Heads Causes

Most important single cause of death as far as number of claims paid in 1932 was cancer with 94, tuberculosis second with 68 and apoplexy third with 62. Pneumonia caused 53 claims while diseases of the nervous system in all totalled 46. Suicides cost the companies $253,000, for 32 individual claims while carbon monoxide claims cost $273,900 and numbered 14. Automobile accidents were the cause of 27 claims with a total of $132,921.

Average amount of claims for the year was $3,990.

Comparative analysis figures follow:

Claims by Ten Leading Specific Causes

	No.	Amount $
1 Cancer	94	302,364
2. Tuberculosis	68	137,255
3. Apoplexy	62	242,196
4. Pneumonia	53	160,288
5. Coronary Thrombosis	45	256,711
6. Suicide	32	258,282
7. Cardio Renal	32	171,049
8. Myocarditis	27	67,756
9. Auto accidents	27	132,921
10. Arterio Sclerosis	26	139,820

No. of Prems. Paid	Claims	Amount	%
1	42	$236,660.07	6.0
2	40	82,640.15	2.1
3	46	213,816.20	5.5
4	53	399,426.75	10.2
5	50	127,874.00	3.3
6 to 10	295	1,181,353.60	30.1
11 to 20	350	1,295,525.80	33.0
Over 20	28	138,679.00	3.5
Paid up	79	246,300.00	6.3
	983	$3,922,275.57	100.0

Claims by Medical Groupings

	No.	Amount $	%
Parasitic microbes	198	475,825	12.1
Cancer	98	302,864	7.7
Cardio-vascular diseases	310	1,412,171	36.0
Nervous diseases	46	133,200	3.4
Digestive diseases	35	194,961	5.0
Glandular diseases	65	262,973	6.7
Unclassified	74	237,973	6.1
Violent & accidental	161	902,809	73.0
	983	3,922,276	100.0

COMBINED OFFICE AND RESIDENCE FIRE LOSS HEAVY

N. F. P. A. Would Exclude This Risk from Dwelling House Zones

Fire hazards of business occupancies, even in the case of stores and dwellings, are sufficiently great to warrant the exclusion of these occupancies from the dwelling house districts by zoning provisions, it is argued in a report on city planning and zoning in relation to fire prevention and fire protection presented at the annual meeting of the National Fire Protection Association held in Milwaukee, May 29-June 1. Statistics collected, the brochure states, show that the loss per fire in occupancies which are combined stores and dwellings is, on the average, two and one-seventh times the loss per fire in dwellings occupied solely as dwelling houses.

Purpose of the report, which was prepared by a special committee, is to bring influence to bear on city planners to give proper attention to certain features of fire defenses. It is mentioned that attention to matters of fire protection and hazard by city planners has been given more or less unconsciously in working out general measures for the conservation and promotion of the public health, safety and general welfare.

Fire Hazard Features

Effect of the fire hazard of such features as street traffic and open spaces as fire breaks are discussed in the brochure as well as protective features such as the location of fire alarm central stations and stations for fire companies.

The importance of planning the water supply and telephone service in the modern metropolitan community is emphasized and attention is also called to the factor of overhead wires in obstructing fire fighting, the fire hazard of blighted areas of the city and the difficulties introduced by bridges and waterfront areas.

Liquidity of Assets Is Vital to Heirs

Analysis of Estate and Needs of Beneficiaries May Eliminate Possible Losses; Ease Task of Executor; Reduce Expenses

While wills are made in contemplation of death, seldom is it expected that the will may become effective within a short time. Yet this is always a possibility, a fact borne out by the records of life insurance companies who are frequently called upon to pay claims on policies that have been in force but a few days or months. There is good reason for a man putting his financial house in order when he makes his will; for taking his executors into his confidence as far as possible. Not only is it good business policy that may pay immediate dividends but, in the event of death, more may be realized by the executor on the assets left.

In article two of this series, a plan was given for the analysis of an estate in order to arrive at the net value of the estate and the possible revenue to be derived from it for the benefit of dependents or other beneficiaries. It is good policy to scrutinize closely the individual assets and liabilities that have been listed according to the above form. It is the same policy that actuates careful investors to check over the list of their security holdings at regular intervals in order that safety of income and principal may be protected against adverse trends in business and in security prices. If the same principle is applied to all of the assets and liabilities in an estate, present savings may be effected or the estate may be placed in a more liquid condition that will materially aid an executor in its realization and distribution.

Liquidity Is Important

The matter of liquidity is one of prime importance in any estate. A man, while living, may have earning power or good credit which will enable him to meet his obligations without calling on his reserves and which may enable him to carry non-productive assets such as unimproved real estate or questionable securities until such time as they can be sold at a profit. With death, however, earning power ceases and the only credit remaining is that based on the marketable value of the assets left. It is upon these assets that the executor must depend for the payment of debts of the deceased, other expenses arising after death and disbursements from the estate to dependents. If the estate largely consists of frozen assets the beneficiaries may suffer through loss of income or loss of principal if assets have to be liquidated at sacrifice prices. Foresight in the choice of investments might easily prevent such difficulties arising.

The composition of an estate may range from an entirely liquid condition, where life insurance and marketable securities comprise all of the assets, to a non-liquid condition, where assets consist largely of unimproved real estate or securities with no market. The first claim on the estate is that for expenses arising as a direct result of death and expenses that would normally be paid out of income. These expenses, it has been estimated, seldom amount to less than eight per cent of the total value of the estate and in some cases to a great deal more. These liabilities, which must be paid within a short time after death, must be deducted from the revenue producing assets. It is often desirable that sufficient life insurance be purchased to cover such items and life underwriters are able to offer sound advice on this type of protection. Probably life insurance is the best corrective for a non-liquid condition in an estate.

Should Analyze Assets

Few men are unable to give an approximate idea as to their assets yet in all too many cases these very assets may present unusual and unnecessary problems to the executor who will ultimately take over their disposition. The work of administering an estate might be facilitated if the assets that are hard to dispose of were eliminated prior to death or if the testator left sufficient instructions to his executor regarding their disposal. A man, while living, may shrink from going into the details of his financial position with his lawyer, the trust company or friend whom he wishes to act as his executor. It may be that his estate is subject to constant change and disclosure of his present financial condition would be of little aid years later when the will becomes effective. Periodic revision of a list of assets and liabilities together with preparation of such instructions as would assist in the final disposal of the estate might add materially to the final liquidation of the estate by an executor.

Real estate and shares in a private business cause executors the greatest difficulty and also the greatest expense. Often it is not possible to find a purchaser immediately and taxes on real estate may take up a substantial portion of the income from the estate. There is, of course, a considerable difference between real estate which is held for use by beneficiaries and real estate that is held for its speculative or investment possibilities. The will should provide that the house occupied by the family of the deceased can be sold and another purchased, otherwise the widow might be burdened with unnecessarily heavy carrying charges which had to be met out of a reduced income. Real estate held for investment requires experienced management. It is the type of investment that is not authorized by law as an investment for trustees and the will should give the executor sufficient power to deal with this asset according to circumstances. It may not be desirable that a too rapid sale be forced and the executor might well be given considerable latitude to deal with this type of asset.

Trustee Securities Best

Most estates of any size contain bonds, debentures, preferred or common stocks. Each of the Canadian provinces has determined the type of investments which trustees operating under the several jurisdictions are entitled to make. Securities which conform to these provincial requirements are called trustee securities. Securities which do not conform to the requirements must be sold by an executor unless otherwise provided in the will, since such non-trustee investments must be disposed of within a reasonable length of time which does not extend usually for more than a year after the death of the testator. Provision should be made in the will giving the executor power to hold investments for a longer period, generally at the executor's discretion.

In many cases the original investment in trustee securities rather than in non-trustee securities is merely a matter of forethought, a choice between securities of apparently equal merit. Trustee securities include securities issued or guaranteed by the Dominion and provincial governments, or the United Kingdom; the debentures of municipalities in the province in which the investor resides. Investments of this type usually form the back-log of any sound investment plan and assure liquidity of an estate. Bonds and debentures that lack a market can often be disposed of during the lifetime of the testator; unlisted stocks can be handled the same way and probably to greater advantage than if disposal is left to the executor and beneficiaries who may wish the estate to be wound up as soon as possible. Most men, sooner or later, buy some securities that may seem to hold great speculative possibilities under certain conditions that may or may not materialize. Such securities may prove valueless or may bring in high returns and a memorandum might be made as to the reasons underlying the purchase of those speculations that still have some chance. Such a memorandum could well aid the executor in disposal of these assets and the same can be said of notes covering loans made to friends or business associates. The more information the executor has at his disposal the more effectively can he fulfill his duties.

The act of making a will reflects the desire of the individual to have his estate disposed of in the most advantageous manner for the benefit of his heirs. Where a man leaves dependents who must live on the income of his estate it is especially necessary that the greatest possible income should be secured without sacrifice of safety of principal. The making of a will is only one step in attaining such an objective; the choice of an executor is another; but the testator can by proper foresight aid his executor by various means that will result in reduction of executor's expenses and facilitate disposal of the estate at the best possible liquidating value.

Note: This is the fourth article in a series which discusses the various problems involved in drawing a will. The next article will appear in an early issue of The Financial Post. The entire series will be published later in booklet form.

PRIVY COUNCIL UPHOLDS DECISION OF NFLD. COURT

Claim for $10,000,000 by Lumber Company Defeated

One of the most important pieces of litigation of recent years was the appeal of the Reid-Newfoundland Company, which together with its associated firms, Mines & Forests Limited, and the Gander Valley Power & Paper Co., claimed damages of $10,000,000 from the Newfoundland Government.

Judgment for Newfoundland on all counts was given by the Privy Council at London where the case was carried after a full bench decision of the Supreme Court of Newfoundland had gone against the company. Hon. L. E. Emerson, Minister of Justice, represented the Newfoundland Government and W. R. Howley, K.C., the appellants.

The petition claiming damages of $10,000,000, was based on the issuance by the Government in May, 1930, of certain writs claiming forfeiture of licenses to some 22 timber areas. In these writ cases judgment was given for the defendants by Hon. Mr. Justice Kent and his judgment was later sustained by the full bench.

In May, 1931, the defendants, Reid-Newfoundland Co. et al, petitioned to the Supreme Court claiming damages against the Government for breach of covenant of quiet enjoyment as a result of the issuance of the writs. These writs were withdrawn and a second set was issued in December and came for hearing before Hon. Mr. Justice Kent, who delivered judgment to the effect that the petition did not disclose cause of action, which judgment was sustained by the full bench.

Forest Fires Act Changes Further Protect Timber

Amendments were recently made to the forest fires act of Newfoundland to prevent the lighting of fires for land-clearing near any wood, without a permit.

The original forest fires act was passed in Newfoundland in 1905 when three wardens were appointed. In the intervening 28 years, approximately 15,000 fires have been extinguished with the annual number of wardens averaging 55.

Life Assurance a Form of Property

LIFE assurance is as much a form of property as a house, a farm, a bond, or a savings account with *these advantages*:—

(1) Its present and future values are guaranteed.
(2) It constantly appreciates in value.
(3) Its values are always available in liquid form.
(4) It is property purchased on a strictly one-price-to-all basis.

Talk over your assurance problems with a Sun Life Man.

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE-MONTREAL

PROTECTION

The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost. This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.

Assets — $49,000,000.00

Independent Order of Foresters

FRANK E. HAND, Supreme Chief Ranger
HEAD OFFICE: TORONTO, CAN.

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia

FIRE AUTOMOBILE WINDSTORM
Insurance in force over $250,000,000.00
Total Assets over 3,000,000.00

Agents required in Ontario
Write Eastern Branch, 2 Toronto St., Toronto, Ont.

THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
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BRANCH OFFICES
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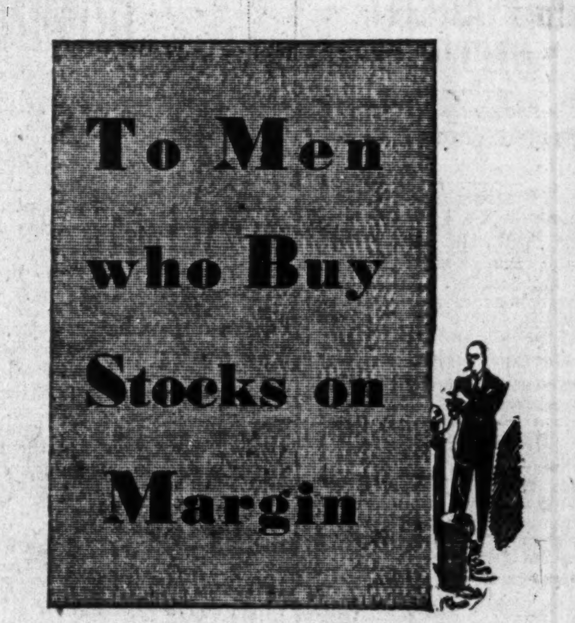
WRITING FIRE AND AUTOMOBILE INSURANCE AT COST. ASSETS $4,616,449.70

ALL POLICIES NON-ASSESSABLE PAYING DIVIDENDS RANGING FROM 20% TO 30%


To Men who Buy Stocks on Margin

HERE is one security which can be purchased on smaller margin than any stock on the board. It will never cause you one moment's worry. You will never be called on for additional margin.

This $10,000 security, in your own name, purchased at age 35, with a cash payment of a little more than 1% of the total, and regular payments averaging 37c a day, is the safest and soundest form of investment you could make.

It is worth $10,000 in cash to your dependents if you die before age 60. Its cash value is constantly increasing. By paying a few cents more per day to include accident and disability benefits it is worth $15,000 cash in case of accidental death before age 60. If you are disabled you will not be called upon to make any more payments.

It is a GREAT-WEST LIFE "Double Protection" policy. It gives you almost twice as much insurance for the same money as ordinary life insurance, should death occur before age 60.

Mail the coupon today for full details of this greater-value policy.

THE
GREAT-WEST LIFE
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HEAD OFFICE: WINNIPEG

THE GREAT-WEST LIFE ASSURANCE COMPANY

Mail THIS COUPON

The Great-West Life Assurance Co.,
Winnipeg, Man.

I am interested in your Double Protection Policy. Without obligation send particulars. Dept. 67-F.

Name ....

Address ....

This Week in Wheat

From Our Grain Correspondent

Europe's Small Takings

WINNIPEG.—Continued ability of Europe to get along with very small takings of wheat is a discouraging feature of the wheat market at the moment, for although Canada continues to get well above half of the world's trade, weekly shipments from this country are not much above five million bushels. Actual consumption of wheat imports is somewhat larger, as port stocks and stocks afloat are being drawn upon, and reduced to unusually small dimensions. Disposition of buyers abroad to make commitments is restricted both by the uncertainties of exchange, and the possibility, even though it may be somewhat remote, of tariff reductions. The latter, if put into effect, would result in lower values for imported wheat already entered for consumption and yet not consumed.

Technically, the Canadian market is steadily growing somewhat stronger, as supplies on hand in elevators, practically all of which are hedged in the market, get lower week by week, with exports exceeding deliveries, if Government holdings remain about the same, which is believed to be the case, the percentage drop in the quantity of wheat carried by the rest of the market becomes considerable.

* * *

Russia's Food Short

REPORTS of food scarcity in Russia are assuming increasing importance, but it begins to appear that Russia is determined to get through until next harvest with imports of wheat limited to small quantities.

The crop in Western Canada continues to make good progress, although there has been some uneasiness in Alberta because rains have not continued in hoped for volume. Some actual destruction of crops by grasshoppers has taken place, but to a small extent, as yet, and the majority of farmers in the infested areas continue to hope that damage from this source may be limited by weather and by vigorous poisoning campaigns. The special feature of the season is the comparative uniformity of good conditions over practically all of the West, instead of the contrast between good and poor areas which, during the past several years, has been evident at this time.

Very low lake freights have continued to promote the movement of wheat down the lakes, forwarders feeling safe in moving grain at three and a half cents a bushel to Montreal, as lower rates are considered to be hardly imaginable.

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Grain and Milling in Canada

EXPECT U.K. WILL ALLOW U.S.A. ROUTE

Grain Shipments Via Buffalo May Get Benefit of Preference

DECISION REVERSED

Canadian Shippers Demand Proclamation of Recently Passed Coasting Law Amendment

From Our Own Correspondent

OTTAWA. — Well founded reports at Ottawa indicate that British customs officials will deliver a final judgment in the near future on the Britannic test shipment of wheat, via Buffalo, and the feeling prevails that previous rulings will be reversed and the American route opened to exports to Britain within the six cent wheat preference.

There were two test shipments of wheat to Britain via Buffalo after the six cent preference was enacted at Westminster. The first movement proceeded by the Laconia and the British customs officials refused to allow the preference on the grounds that the documentation of the Laconia shipment did not meet with the British preferential regulations.

Shipments Declined

The second shipment proceeded via the Britannic and once again the customs officials declined to grant the preference. From this decision, however, an appeal was lodged to the British Customs Board and it is this appeal that is expected to be decided in the near future.

Meantime, of course, the antagonism to the British application of the wheat preference has grown apace. Western grain interests have been agitating for a reversal of the previous ruling, although they have admitted that no more complete documentation of a wheat shipment can be made than was done in the Britannic consignment. In Britain, the Liverpool Corn exchange has vigorously requested the opening of the Buffalo route under the preference and the milling trade has been equally emphatic in denouncing the closing of the United States transportation channels. Moreover, the authorities at Washington have been very active in urging a reversal of previous decisions.

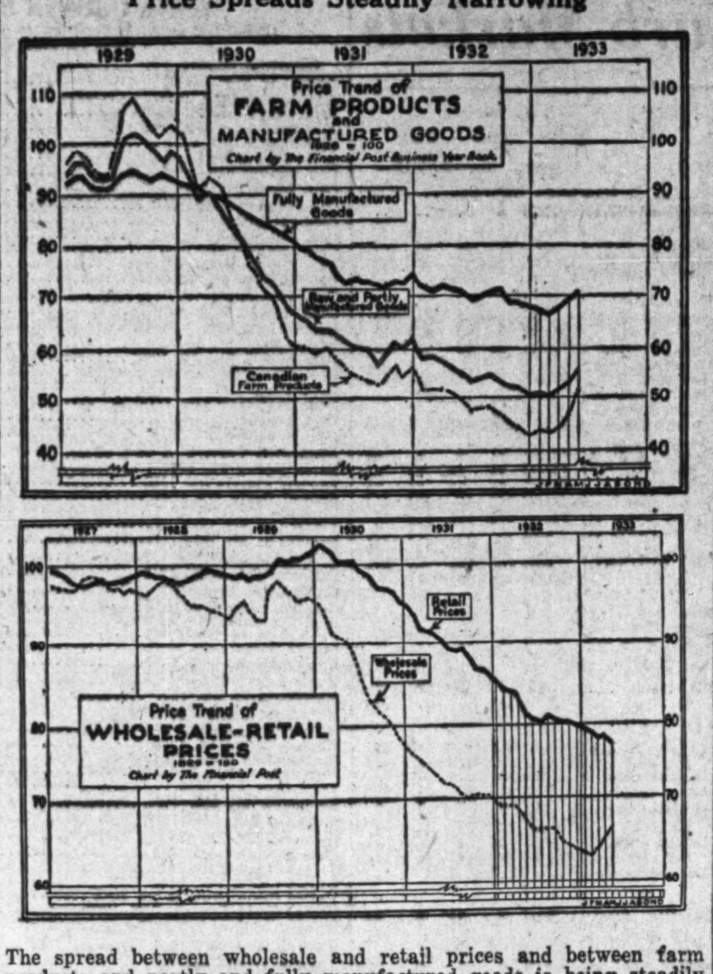
Considering these factors, government officials at Ottawa are of the opinion that the British Customs Board will reverse the previous ruling on the Britannic test shipment and that the Buffalo route will be opened to the wheat export trade, so far as Britain is concerned.

In the past weeks there have been evidences that the Canadian lake shippers desire the early proclamation of the amendment to the Canadian coasting laws, enacted at the last session of parliament. Under the amendment, transshipment of grain from Buffalo to Montreal would be seriously interfered with and a larger part of the Canadian crop would be forced to move in Canadian bottoms. The Government, as yet, has given no indication of a willingness to proclaim the amendment and the view is held that no use will be made of this amendment during the present crop season, which ends July 31, next.

Vancouver Reports Tonnage Figures

Final tonnage figures for the Port of Vancouver during 1932 as given in the annual report of the Vancouver Harbor Commissioners, show a total of 15,981 vessels of all classes to have entered the port that year. In the deepsea class 1,123 vessels of 4,501,754 net tonnage entered as against 1,036 for 1931 with a net tonnage of 4,031,192.

Price Spreads Steadily Narrowing



The spread between wholesale and retail prices and between farm products and partly and fully manufactured goods is being steadily narrowed as wholesale prices and prices of Canadian farm products rise at a more rapid pace than the others.

Wholesale prices have not yet reached the level of May a year ago but prices for farm products, raw and partly manufactured goods and wholly and chiefly manufactured goods have topped the figure recorded in May, 1932.

GRAIN MERCHANTS LOOK TO ORIENT TO EXPAND MARKET

Probability of Considerable Low Grade Wheat This Year is Cause

From Our Own Correspondent

WINNIPEG. — Possibilities of Oriental trade during the coming crop year are commencing to interest both grain merchants and flour dealers.

Canadian business with Japan and China has been largely supplanted during the past two years by Australia. This was not due, as was first supposed by many persons, to advantages secured by Australia in that trade from the depreciation of her currency, but to the fact that Australia is much nearer to the Orient than she is to the United Kingdom, and Australian wheat can be offered in Chinese ports more cheaply than in England. Price and freight relationships are such as to make it practically impossible for Canadian high grade wheat to compete with Australian high grade wheat in that market.

When Canada has practically only high grade wheat to sell, as has been the case during the past two years, Oriental purchases of Canadian wheat are confined mainly to limited quantities which mills there require to mix with Australian wheat to give necessary strength to the mixture. But when Canada has low grade wheat to offer, this is likely to be sufficiently cheaper than Australian wheat to make business possible, both in the wheat itself and in the flour made from it.

Lower Grade Expected

The Canadian crop for the past two years, and especially in 1932, was so high in grade that there was very little low grade wheat available to compete in the Oriental market. It seems unlikely that such high grading will again occur, especially as a good deal of the crop now growing was seeded late. Should the Australian crop be short this year that might increase the call for Canadian wheat. Of course there is always the possibility of Argentine wheat furnishing large supplies for China, as the established result of the British preference appears to have been to reduce the selling price of that wheat in all markets by the full extent of the duty.

Increased attention to the Chinese market has been caused by the announcement that the United States is to lend China $50,000,000 for the purchase of agricultural commodities. While most of that, it is understood, is to be applied to the purchase of cotton, it is understood that some 15,000,000 bushels of wheat, in the form of flour, are to be included. At one time mills in the North Pacific states enjoyed a large trade in flour, made from the soft wheat of that area, with China. In recent years, however, milling has made such advances in various Chinese ports, and especially in Shanghai, that imported flour has difficulty in competing in those trade areas, although a good deal of flour is still imported at Tien-tsin, although some of this is flour milled at Shanghai.

ALBERTA REPORTS NEED OF RAINFALL

Conditions of Wheat Crop in Other Provinces Satisfactory

Need of rain in some sections of Alberta and Saskatchewan mars an otherwise satisfactory report on western crops, according to the telegraphic crop report of the Dominion Bureau of Statistics dated June 13. The 1933 crop is generally promising in Manitoba and Saskatchewan but spring conditions in Alberta have not been so favorable. Considerable areas in the southwestern and central regions of that province, and extending into west-central Saskatchewan are in need of rain.

Manitoba is favored with excellent growing conditions and seeding of all grains is nearing completion. Recent precipitation has varied from ample to excessive and has been generally distributed over the province missing only the Roblin district of western Manitoba. Grasshopper damage has been retarded by the rain but the provincial department of agriculture reports 110 bait mixing stations in operation and infestation particularly severe in the southwest and in the Red River valley.

Growth has been very good in Saskatchewan during the past week owing to good weather and limited rainfall. Frost was recorded in the north with the damage confined to gardens. Most of the wheat is above ground. Grasshopper damage is threatening but still under good control. Fairly severe wireworm damage is reported from Swift Current.

Alberta prospects are becoming quite variable. Rain is needed badly at Cardston and would be welcomed in many other districts scattered throughout the province. General crop conditions over the province are only fair and have not improved during June to date.

Living Costs Index Reaches New Low

Semi-annual revision of the rent index included in the Dominion Bureau of Statistics index of retail prices, rents and costs of services has resulted in reducing the May index for the group from 78.6 to 77.6, the lowest figure since 1916. The rent index declined from 90.0 to 84.0 and the fuel index was also slightly lower at 88.5 compared with 88.8 a month ago. Food prices were slightly higher for the second consecutive month and the index rose from 61.3 to 61.9, while clothing and sundries remained unchanged.

An index of retail prices, excluding rent, changed from 69.2 in April to 69.5 in May, while the index of fuel, clothing and household requirements declined slightly from 76.7 to 76.6.

Price Spread Farm and Other Goods Narrows

Although the wholesale price indices of fully and chiefly manufactured goods, raw and partly manufactured goods and Canadian farm products all gained in May as compared with the previous month, the increase in the case of farm products was greater than in the others and the spread which exists between these prices was considerably narrowed. The 22.9 point spread which existed in April between fully and chiefly manufactured goods and farm products was narrowed to 19.4 points while the spread between raw and partly manufactured goods and farm products was reduced from 6.5 to 5.0 points.

Canadian farm products wholesale price index rose higher than at the corresponding period a year ago, the index being 51.2 in May 1933, compared with 50.2 in May 1932. Both the animal products and field crops index were higher than in May a year ago.

The other two indices also rose above the level of May, 1932, raw and partly manufactured goods showing a gain of 2.9 points over April and at 56.2 being 0.8 points higher than in May, 1932. Fully and chiefly manufactured goods gained slightly to 70.6 as compared with 70.3 a year ago.

Wholesale Price Indices
(1926 equals 100)

	May 1933	Apr. 1933	May 1932
Raw & part mfg.	56.2	53.3	55.4
Fully & chiefly mfg.	70.6	69.7	70.3
Can. farm products	51.2	46.8	50.2
Consumers' goods	71.1	70.5	70.9
Producers' goods	63.9	60.7	64.4

Small Crop Will Cut U.S. Surplus 100,000,000 Bu.

Canada's 200,000,000 Bushel Carryover Only Drag on World Markets From North American Continent

From Our Own Correspondent

WINNIPEG.—New crop wheat is already being marketed in some volume in the United States, and daily the harvest belt is moving northward. That country can consequently be considered as having entered the new crop year, although for statistical purposes July 1 is taken as the critical day. But from now on, for a number of months that cannot yet be specified, the difference between the forces which affect prices in those markets and markets elsewhere is likely to be more marked.

United States is out of the international market, and prices there are seeking a level at which there will be equilibrium between domestic demand and supplies offered for domestic consumption.

It is now clear that production this year will be well below the country's wheat requirements for a single year, and that the surplus of wheat in the United States will be diminished, possibly to a considerable extent, during the coming year. But the carry-over of wheat into the new crop year is likely to be determined at practically the same as a year ago, or some 360,000,000 bushels.

Reduce Carry-over

Allow 150,000,000 bushels to be a normal carry-over, and assume that the surplus might be reduced as much as 100,000,000 bushels during the coming year, by domestic consumption, including wheat fed to livestock, and by export to territories of the United States and some small markets elsewhere which because of steamship service or commercial relationships are not competitive with other countries, and where business can consequently be done at higher than the world level of prices. There will still remain an excess of some 100,000,000 bushels or more of wheat in the country.

In ordinary times, that would be considered to be sufficient to bring United States prices down to the world level, in order that some might escape into export channels. But there are two good reasons against that happening this year. One is the refusal of farmers in the United States to accept the world level of prices, and their willingness to hold wheat on their farms rather than sell at such prices. The other is the greater necessity of other countries to sell their wheat in export markets, so that Canada, for example is bound to under-cut any prices that may be established for United States wheat, in order to keep her wheat moving out.

U. S. A. Prices Higher

Prices in that country then, must be higher than world levels, and how much higher largely depends upon the state of mind and the financial position of farmers. If they insist on selling too rapidly at current prices offered, such prices will be driven down, conceivably to a level which would force other countries to cut their prices to keep below. But farmers have lately been showing themselves to be strong holders, so that, with practically the same amount of wheat in the country, visible supplies carried in terminal elevators, have been reduced by more than 50,000,000 bushels from those of a year ago, and practically 100,000,000 bushels from those of two years ago. There is no reason to believe that they will not continue to be fairly strong holders, in view of the crop situation. It is quite possible therefore for prices in the United States to rise considerably above present levels, even with world prices remaining stationary, or moving in the opposite direction.

The indirect effect of any advances which may take place there may be a valuable indirect influence on the Canadian market, as making clear to wheat buyers abroad that the surplus wheat in the United States will not be offered to them in competition with Canadian wheat. Even yet compilations of grain statistics continue to include in supplies available for world markets stocks in the United States, and a realization that these have been effectively cut off from the market might result in increased willingness to make forward commitments for Canadian wheat. An increased use of the Canadian market for hedging purposes by dealers abroad is also possible, as the Chicago market, under the influences which now affect it, is no longer the useful instrument for that purpose that it used to be.

Canada's Carry-over

Realization of the United States situation is important for Canada. On the one hand it makes less formidable the increase of the Canadian carry-over, already large last year, which must be faced this year. For the past three years North America has had to show to the world aggregate wheat carry-overs ranging from 420 to 500 million bushels, as available for the United States and the rest of the world, or after allowing for the internal requirements of that country, of from 300 to 400 million bushels available for export markets.

Even should the Canadian carry-over this year reach 200,000,000 bushels, that in effect represents the total carry-over of the North American continent available for export markets, much less for the continent, even if it is more for Canada. And on the other hand it is desirable that holders of wheat in Canada, whether farmers, commercial agencies or government forces, should not have their ideas of possible prices influenced by developments across the border to the extent of getting Canadian prices enough out of line with world conditions to sacrifice any export business that might be done.

Winnipeg Grain Prices

Week to June 13

Crop year from Aug. 1, 1932 High	Crop year from Aug. 1, 1932 Low		Open June 7	High for week	Low for week	Close June 13
		Wheat				
.67¾	.41¾	July	.62⅞	.66½	.62	.64¾
.69⅞	.46⅝	October	.64¾	.67¾	.64	.67
.69½	.65	December	.66	.68⅛	.61⅛	.67⅝
		Oats				
.30¼	.21½	July	.27⅝	.29	.27¼	.28½
.30½	.21⅞	October	.28⅝	.30¼	.28¼	.29½
.29⅞	.29⅛	December	.....	.29⅝	.29⅛	.29½
		Barley				
.39½	.26	July	.36¾	.38	.35⅝	.37⅝
.41	.27¼	October	.37⅞	.39¾	.37	.39½
.40½	.40¼	December	.....	.40½	.40¼	.40¼
		Flax				
1.33	.71⅝	July	1.25¼	1.31⅞	1.29¼	1.29½
1.35	.76	October	1.25¼	1.33⅛	1.22¾	1.31
1.31½	1.22½	December	1.22	1.31⅝	1.20⅝	1.30
		Rye				
.51½	.31		.49	.51¼	.48	.49¾
.53½	.34	October	.51⅛	.53¼	.50⅛	.52⅛
.54⅝	.53⅝	December	.....	.54⅝	.53⅝	.54

W. D. BEATH & SON LOSS REPORTED SALES DECLIN

Continues to Show Good Liquid Condition; No Bank Loans

W. D. Beath & Son Ltd. sustained a loss of $4,249 on operations in 1932 which compares with profit of $26,472 in 1931. Chief change is the loss of $2,051 by the parent company against profit of $33,326 in 1931 while the loss of the subsidiary company, W. D. Beath & Son (Western) Ltd., was reduced to $2,198 from $6,854 in 1931. Sales continue to decline, according to Lance B. Beath, president, but wages and staff were reduced during the year and every other possible economy was practised during the year. New lines added in 1931 have not yet been saleable in sufficient quantity to show a profit.

The income and surplus accounts for 1932 and 1931 compares as follows:

CONS. INCOME & SURPLUS ACCOUNT
Years Ended Dec. 31

	1932 $	1931 $
Net earnings:		
Parent company	*2,051	33,326
Subsidiary	*2,198	*6,854
Total net earn.	*4,249	26,472
Less: Deprec.	13,374	25,560
Net profit	*17,623	912
Add: Prev. surp.	89,492	94,296
Less: Income tax adj.	†1,503	4,898
Sales tax adj.	†825	825
Bal. forward	74,197	89,492

*Deficit or loss. †Add.

Working capital has been maintained and ratio of current assets to current liabilities has been increased to 13.44 to 1 from 8.66 to 1. Cash is down to $13,749 from $25,393; accounts and notes receivable to $19,096 from $33,518. Amount receivable on subscriptions to capital stock is up to $56,500 from $53,250; inventories as valued by the management are up to $198,648 from $193,453. Current liabilities include $17,054 of accounts and bills payable and $4,363 of accrued expenses. Working capital position is as follows:

Working Capital

	1932 $	1931 $
Current assets	287,992	306,544
Current liabs.	21,417	35,399
Working capital	266,575	271,145
Ratio	13.44—1	8.66—1

Fixed assets are carried at $922,394 after deduction of $130,215 for depreciation. Patents, leases, goodwill, etc., are valued at $1,526,482. Cash surrender value of life insurance is up to $31,513 from $27,632; deposits, advances, supplies and prepaid expenses are shown at $12,136. There remains outstanding 100,000 shares of class A stock and 50,000 shares of class B stock. Surplus, as shown above, is $74,197.

Note:—See Page 2 for information as to how a complete analysis of this company can be obtained.

Grain Briefs

Wheat Exports in the week ended June 9 amounted to 4,633,417 bu., about 400,000 bu. less than in the previous week and compared with 5,173,206 bu. in the corresponding week a year ago.

Wheat Stocks at June 9 amounted to 192,527,580 bu. as compared with 201,040,611 bu. at the end of the previous week and 138,838,573 bu. in the corresponding week a year ago.

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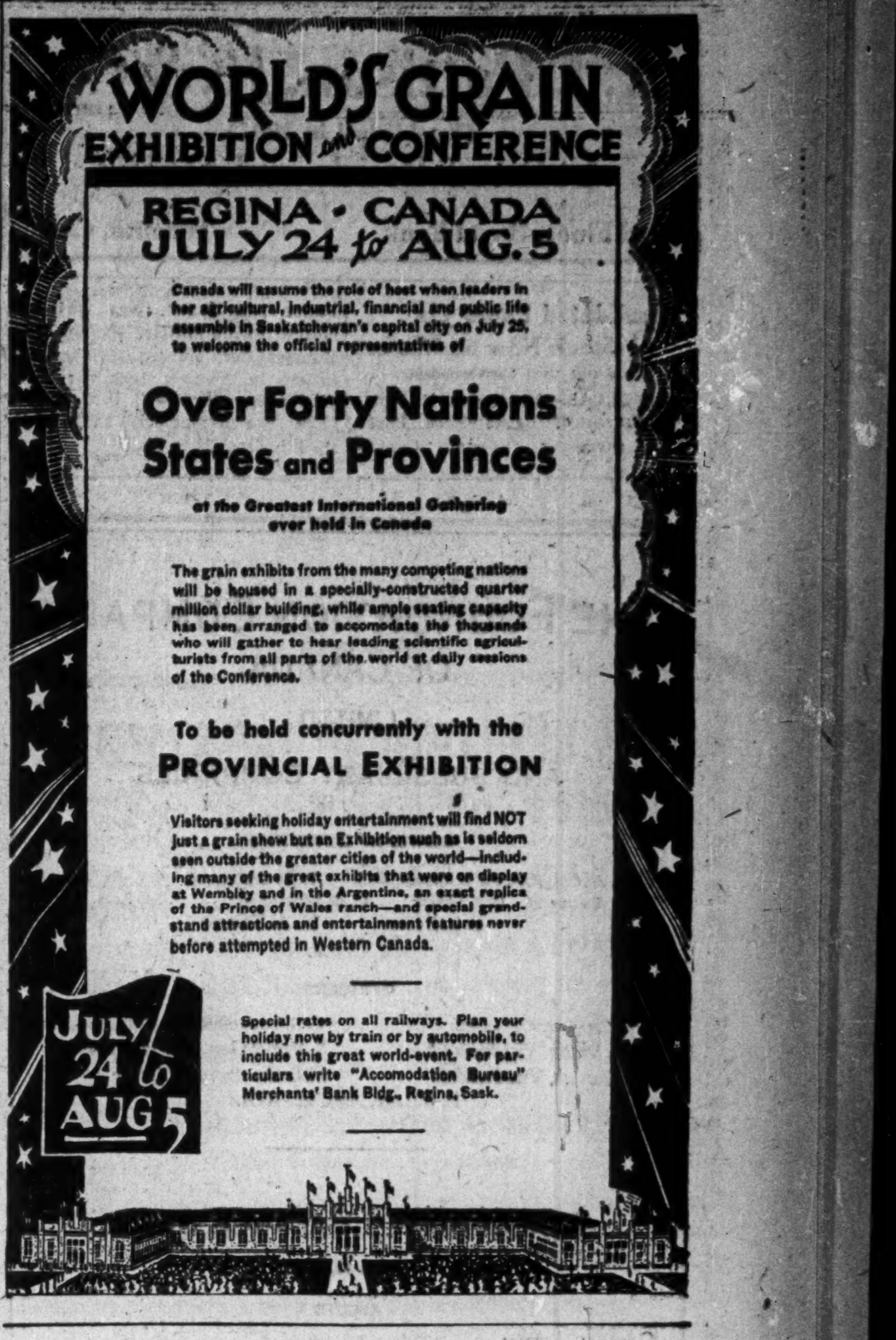
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Consolidated Paper Co. Stock Now on Market

From Our Own Correspondent

MONTREAL.—Trading in the common shares of Consolidated Paper Corp., successor company, Canada Power and Paper Corp. has commenced in the unlisted section of the Montreal Curb Market. Opening transactions in the new stock, the abbreviation for which is C. P. C. were at $1.70. The current price range of the stock is from $2 to $2.25.

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C. E. Grearson, Sec.-Treas.
H. C. Link, Asst. Sec.-Treas.

CONSOLIDATED BALANCE SHEET

April 30, 1933

ASSETS

Capital Assets:			
Land	$ 29,303.53		
Buildings, Plant and Equipment	1,176,862.17		
Marine Equipment	602,865.21		
Furniture and Fixtures	12,680.62		
	$1,821,711.53		
Goodwill	1.00		
			$1,821,712.53
Sundry Investments			14,000.00
Current and Working Assets:			
Inventories of Tools and Supplies	$ 29,030.97		
Accounts Receivable	554,564.16		
Investment in Uncompleted Contracts	51,176.29		
Cash in Bank and on Hand	136,323.12		
Investments in Dominion and Public Utility Bonds at Cost (having a quoted market value of approximately $155,800.00)	172,125.00		
Accrued Bond Interest	3,827.50		
			947,047.04
Deferred Charges			8,196.96
			$2,790,956.53

LIABILITIES

Capital Stock:		
Authorized—150,000 Common Shares of No Par Value.		
Issued — 84,600 Common Shares of No Par Value		$ 710,000.00
Current Liabilities:		
Accounts Payable and Accrued Liabilities	$ 63,654.99	
Royal Bank of Canada, Demand Loan	133,000.00	
Reserve for Federal and Provincial Income Taxes	12,654.34	
		209,309.33
Reserve for Depreciation		747,641.08
Reserve Against Contracts		388,953.40
Reserve for Fire and Marine Insurance		31,032.32
Surplus, as per statement attached		704,020.40
		$2,790,956.53

Approved on Behalf of the Board:
R. E. Chadwick, Director.
V. M. Drury, Director.

AUDITOR'S REPORT

We have made an examination of the books and accounts of The Foundation Company of Canada Limited and its Subsidiary Companies for the year ending April 30, 1933, and have obtained all the information and explanations which we have required; and we report that, in our opinion, the above Balance Sheet at April 30, 1933, is properly drawn so as to exhibit a true and correct view of the state of the combined affairs of The Foundation Company of Canada Limited and its Subsidiary Companies, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

Montreal, June 5, 1933.

PRICE, WATERHOUSE & CO., Auditors.

CONSOLIDATED SURPLUS ACCOUNT

April 30, 1933

Balance, April 30, 1932	$637,733.63
Add: Profit for the year ending April 30, 1933, after providing $145,920.21 for depreciation	78,786.77
	$716,520.40
Deduct:	
Provision for Federal and Provincial Income Taxes for year ending April 30, 1933	12,500.00
Balance, April 30, 1933	$704,020.40

MONTREAL
1538 Sherbrooke Street W.

TORONTO
Yardley Building

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto and Curb Markets

WEEK ENDING JUNE 12

Range 1933 High	Range 1933 Low	Divd. Rate in $	Yield in % June 10		Sales	Close June 5 (or—last)	Week Ending June 12—High	Low	Close
				A					
1.50	.12	.	...	Abitibi	22445	1.00	1.50	.50	1.35
5½	1	.	...	Do. pref. 6%	1425	3½	5¼	4	5
x80	80	7	...	Acme F. D'y p	....	..	..	..	..
x5	4½	.	...	Agnew Surp.	....	..	..	..	..
.60	60	7	11.7	Do. pref.	....	60	..	..	..
9½	3½	.	...	Alta. Pac. Gr.	85	8	7	7	7
32	20	.	...	Do. pref.	60	30	31	30	31
x3½	1½	.	...	Amal. Electric	....	..	..	..	..
9	3	.	...	Do. pref.	....	9	..	..	..
†3½	3½	.	...	Anglo. N. Hold.	....	..	..	..	..
.25	.15	.	...	Asbestos	....	.25	..	..	..
.60	.50	.	...	Do. pref.	....	.60	..	..	..
9	3½	.	...	Assoc. Brew.	1283	7½	9	7½	9
72	65	7	10	Do. pref.	80	72	70	70	70

Range 1933 High	Range 1933 Low	Divd. Rate in $	Yield in % June 10		Sales	Close June 5 (or—last)	Week Ending June 12—High	Low	Close
8	4½	50c	8.3	Hunt (A)	....	6	..	..	..
6	5	50c	8.3	Do. (B)	....	6	..	..	..
102	77	7	7.8	Huron & E. Mt.	10	78	90	90	90
18	12½	.	...	Do. 20% pd.	125	12½	15	15	15
7½	6	.	...	Hydro Electric	....	7	..	..	..
				I					
169	123	10	5.9	Imperial Bank	47	162	169	165	169
13½	7½	50c	4	Imperial Oil	33777	13	13	12½	13
10	7	35c*	3.5	Imperial Tob.	2015	9½	10	9	10
†80	.80	8	...	Inter. Coal. p.	....	..	..	..	..
b11½	2½	.	...	Int. Hyd. E. A.	50100	9	11½	9½	11½
102½	98	7	6.9	Inter. Mill. pf.	....	102	..	..	..
85½	84	6	7	Do. Series A	....	85½	..	..	..
20.50	8.00	.	...	Inter. Nickel	253196	17.25	20.50	16.90	20.45

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
June 13, 1933

Industrial Bonds:	Bid	Asked
Abitibi P. & P. 5% 1953	26.00	26.50
Acadia Sugar 6% 1946	91.00	....
Alta. Pac. Grain 6% 1946	84.50	87.00
American Sales Book 6% 1939	105.00	....
Arnold Bros. 6% 1947	50.00	....
B. A. Oil 5% 1945	95.00	97.00
Can. Biscuit 6½% 1946	25.00	....
Can. Bread 6% 1941	90.50	93.00
Can. Cement 5½% 1947	75.00	77.50
Can. Steamship 6% 1941	24.50	25.50
Can. Bakeries 6½% 1945	52.00	....
Can. Canners 6% 1950	88.25	91.00
Can. Copper Refin. 6% 1945	105.00	....
Can. Cottons 5% 1940	83.00	....
Can. Vickers 6% 1947	65.00	....
Cons. Invest. 4½% 1959	45.00	45.50
Cosmos Imp. Mills 6½% 1944	80.00	85.00
Davies, Wm. 6% 1942	90.25	....
Debenture & Sec. 4% 1936	54.00	57.00
Dom. Manufacturers 6% 1933	96.00	....
Dom. Tar & Chemical 6% 1949	70.00	73.00
Dom. Telegraph 5½% 1978 "A"	85.00	89.00
Dom. Textile 6% 1949	99.25	101.00
Dom. Woollens 6% 1948	23.00	....
Donnacona Paper 5½% 1948	15.00	....
Eaton Realty 5% 1949	80.50	84.00
Famous Players 6% 1948	74.50	....
Federal Grain 6% 1949	84.50	....
Firestone Tire 7% 1937	110.00	....
Fraser Cos. 6% 1932	10.00	....
Fraser Cos. 6% 1950	11.00	....
Galt Brass 7½% 1941	17.00	23.00
Goodyear Cotton 6% 1949	99.00	103.00
Great Lakes Paper 6% 1950	32.00	32.75
Gypsum, Lime & Alab. 5½% 1948	42.00	44.00
Harris Abattoir 6% 1947	91.00	....
Howard Smith 5½% 1953	75.50	77.00
Loew's Toronto 6% Serial	100.00	....
London Realty 6½% 1950	38.25	....
Maple Leaf Milling 5½% 1949	49.00	52.00
Massey-Harris 5% 1947	68.00	69.50
McColl-Frontenac 6% 1949	94.00	95.50
McKinnon Industries 6½% 1945	94.00	....
Mercury Mills 5½% 1953	40.00	....
Metropolitan Bldg. 7% 1944	88.00	86.00
Northern Ontario Bldg. 6½% 1939	62.00	....
Price Bros 6% 1943	46.00	48.00
Richmond Bay 6½% 1947	57.00	....
Simpsons Ltd. 5½% 1949	70.50	73.50
Simpsons Ltd. 6% 1949	76.00	79.00
Steel of Canada 6% 1940	104.00	107.00
Toronto Carpet 6% 1944	78.00	82.00
United Gas & Fuel 5½% 1948	61.00	....
United Grain Growers 5% 1948	81.50	....
United Grain Growers 5½% 1949	85.00	88.00
Wabasso Cotton 7% 1942	63.50	....
Western Grain 6% 1949	72.50	75.00
Public Utility Bonds:		
Bell Telephone 5% 1955	105.00	....
Bell Telephone 5% 1957	105.75	....
B. C. Power 5½% 1960	87.00	89.50
B. C. Telephone 5% 1960	92.00	95.00
Calgary Power 5% 1960	86.00	....
Can. Northern Pwr. 5% 1953	83.00	85.00
Duke Price Pwr. 6% 1966	82.50	....
French Nat'l. Mail S.S. 6% 1952	123.00	....
Gatineau Pwr. 6% 1941, "A"	74.00	75.00
Gatineau Pwr. 5% 1956	83.00	84.00
Maclaren Quebec 5½% 1961	81.25	83.25
Manitoba Power 5½% 1951	45.00	....
Montreal Isl. Pwr. 5½% 1957	95.00	98.00
Montreal LH&P 5% 1951	102.00	....
Montreal LH&P 5% 1970	101.50	....
Montreal Tram 5% 1941 July	96.50	97.50
Montreal Tram 5% 1955	78.50	79.50
Northwest. Utilities 7% 1938	98.00	100.00
Ottawa Valley Pwr. 5½% 1970	95.50	96.50
Quebec Power 5% 1968	87.00	90.00
Rio Tramways 5% 1935	97.50	....
Shawinigan W&P 4½% 1970	76.50	....
Shawinigan W & P 5% 1970	82.00	....
Shawinigan W&P 6% 1937	92.50	94.00
Southern Can. Pwr. 5% 1955	96.00	99.00
West Kootenay Pwr. 5% 1956	95.00	....
Government, Provincial & Railway:		
C. N. R. 4½% 1951 Dom. Gtd.	100.25	100.75
C. N. R. 4½% 1957 Dom. Gtd.	99.75	100.50
C. N. R. 5% 1966 Dom. Gtd.	105.75	106.25
C. P. R. 4½% 1944	81.50	82.50
C. P. R. 6% 1942	102.25	....
Dom. of Can. 5% 1936	103.00	104.00
Dom. of Can. 5% 1941	104.00	105.00
G. T. P. 3% 1962 Dom. Gtd	80.50	81.00
G. T. P. 4% 1962 Dom. Gtd.	93.75	94.50
Ont. Hydro 3½%, 4%, 5%, 1952 Ont. Gtd.	92.00	93.00
Ont. Hydro 4½% 1970 Ont. Gtd.	100.50	101.50
Ont. Hydro 4% 1957 Ont. Gtd.	92.00	94.00
Prov. of N. B. 5% 1957	99.25	....
Prov. of Ont. 5½% 1947	107.25	108.00
Prov. of Ont. 5% 1948	103.50	104.00
Prov. of Ont. 5½% 1946	107.25	108.00

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co., Canada Permanent Building, Toronto, Ont.
June 13 1933.

	Rate	Actual Maturity	Next Int. Date	Price	Yield
*Alberta	4½	1 Oct., 1958	1 Oct.	88.50	5.33
Alberta	5	1 July, 1943	1 July	96.00	5.53
Alberta	6	1 Mar., 1947	1 Sept.	101.00	5.89
*British Columbia	4½	1 Oct., 1953	1 Oct.	89.00	5.40
*British Columbia	5	15 Jan., 1948	15 July	95.00	5.49
British Columbia	6	15 Feb., 1947	15 Aug.	101.50	5.84
Manitoba	4	1 July, 1947	1 July	83.00	5.79
*Manitoba	5	2 Dec., 1959	2 Dec.	93.00	5.50
Manitoba	6	1 Apr., 1947	1 Oct.	100.00	6.00
*New Brunswick	4	1 June, 1948	1 Dec.	92.00	4.75
*New Brunswick	4¾	15 June, 1936	15 June	100.00	4.75
New Brunswick	5½	1 May, 1950	1 Nov.	105.00	5.05
*Nova Scotia	4½	15 Nov., 1948	15 Nov.	99.25	4.57
Nova Scotia	5	1 May, 1943	1 Nov.	101.25	4.84
*Ontario	4½	1 Sept., 1944	1 Sept.	102.00	4.28
Ontario	5	15 Oct., 1942	15 Oct.	104.50	4.59
Ontario	5½	1 Feb., 1947	1 Aug.	108.25	4.69
P. E. I.	4	1 Apr., 1939	1 Oct.	95.60	4.85
P. E. I.	6	1 May, 1947	1 Nov.	111.05	4.90
*Quebec	4½	1 May, 1961	1 Nov.	101.00	4.19
*Saskatchewan	4½	1 Sept., 1955	1 Sept.	87.50	5.47
*Saskatchewan	5	1 Nov., 1959	1 Nov.	93.50	5.47
Saskatchewan	6	15 Mar., 1952	15 Sept.	99.50	6.04
*Newfoundland	5	31 Dec., 1952	30 June	76.00	7.33
*Newfoundland	5½	1 July, 1939	1 July	78.00	10.53
*Newfoundland	6½	30 June, 1936	30 June	87.00	11.76
Cities					
*Montreal	5	1 Sept., 1963	1 Sept.	103.19	4.80
*Toronto	4½	1 Jan., 1955	1 July	97.95	4.60
*Vancouver	5	15 Jan., 1970	15 July	88.56	5.75
Winnipeg	5	1 Mar., 1944	1 Sept.	92.00	6.00
*Edmonton	5½	1 Apr., 1947	1 Oct.	90.90	6.50
Calgary	5	1 Jan., 1943	1 July	82.60	7.50
Halifax	6	1 July, 1951	1 July	113.05	4.90
Saint John	5	15 Dec., 1950	15 June	101.17	4.90
Regina	4½	1 July, 1950	1 July	75.00	7.00
Victoria	5	21 July, 1945	21 July	91.30	6.00
Quebec	5	1 June, 1948	1 Dec.	101.50	4.86

*Payable in New York.

Listed Bond Quotations

Week Ending June 12, 1933

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1933 High	Range, 1933 Low
Abitibi, 1st mtge.§	5	1953	...	26	...	...	18	13
Asbestos	5	1942	...	21	...	...	*65½	49
Asbestos, 1st mtge.	6	1941	...	5½	...	...	*20	14
Do., gen. mtge	6	1956	...	...	...	...	*9	...
Can. Cons. Rub.	6	1946	...	...	...	...	62	...
Can. Cottons	5	1940	8.11	...	...	...	84½	...
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Locomotive	6	1951	...	...	...	...	19½	19½
Can. Pr. (Laur.)	5½	1958	...	†5	3	...	3	3
Do. (Way. Ser.)	5½	1958	...	...	...	...	*28½	5½
Can. S.S. Debs.	5	1943	...	68	...	...	*83½	...
Cedars Rapids	5	1953	...	...	...	...	108	108
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dominion Coal	5	1940	...	...	...	...	37	...
McNish	6	1948	...	2.25	2.40	...	2.50	1.00
Mex. L. & Pr.	5	1940	...	55	...	...	*73½	70½
Mtl. L.H.&Pr. debs.	3	1939	...	44½	44½	43½	44½	39½
Mont. Tr. 1st mtg.§	5	1941	5.70	96	...	...	98½	95½
Mont Trams. "A"§	5	1955	6.78	79½	79½	76	79½	58
Do., G. & Ref "B"	5	1955	7.47	79	...	...	73½	...
Do., "C"	4½	1955	9.03	...	...	...	57	57
Do., "D"	5	1955	7.14	†80	...	...	77½	76½
N. S. Steel	5	1959	...	†78	...	...	*62½	59
Ontario Steel	6	1943	...	...	...	...	80	...
Porto R. Pr.	5	1936	...	...	...	...	*93	88
Steel of Canada§	6	1940	...	103	...	...	*102½	100
Wayagamack	6	1951	...	...	...	...	*75	45
Winnipeg Elec.§	5	1935	...	70	...	...	*86	...
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Canada	6	1940	...	...	...	...	*102½	...
Dominion Govt. Bonds (Montreal)								
War Loan§	5	1937	...	109.50	....	....	116.25	114.25
Victory Loan	5½	1933	3.65	100.25	....	....	100.75	100.00
Do.	5½	1934	4.20	101.25	101.90	....	102.60	101.35
Do.	5½	1937	3.05	109.25	....	....	110.25	109.25
Do., refund	4½	1940	4.28	101.00	....	....	101.25	99.70
Do., refund	5	1943	4.46	104.00	....	....	103.37	101.85
Do., refund	4½	1944	4.41	100.75	....	....	99.75	98.75
Do., refund	4½	1946	4.37	100.75	....	....	*92.25	91.50
Do., renewal	4	1952	4.37	94.50	95.25	94.87	95.25	91.63
Conversion Loan	4½	1956	4.11	....	....	....	98.50	97.00
Do.	4½	1957	4.56	99.50	99.00	....	99.00	96.00
Do.	4½	1958	4.58	99.50	....	....	99.37	97.75
Do.	4½	1959	4.46	100.50	....	....	100.75	97.50
Nat. Service Loan	5	1936	3.98	103.00	....	....	103.25	101.50
Do.	5	1941	4.38	104.00	....	....	103.75	100.75
Dom. Loan	4	1935	3.80	99.75	....	....	99.75	99.75

†Latest ask ‡Quotations for 1930. *For 1931. *For 1932. None recorded in 1933 to date. §Payable in Canada and New York

Winnipeg Stock Exchange

(Transactions for week to June 10)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close June 10
..	..	Assoc. Breweries, c.	170	8¼	8	8¼
..	..	Do., pref.	3	70	70	70
..	..	Associated Oil	200	.12	.12	.12
..	..	Baltac	100	.04	.04	.04
..	..	Central Manitoba	4,250	.14	.12	.13½
2	8	Dom. Bridge	6	25	25	25
..	..	Can. Pac. Rly.	10	17¼	17¼	17¼
..	..	Beaver Lumber, c.	50	4¼	4¼	4¼
2	10	Blue Ribbon, pfd.	40	20	20	20
35c	..	North Star Oil pfd.	225	3¼	3	3¼
..	..	Do., com.	155	1½	1½	1½
1	6.8	Monarch Life	85	14¾	14¾	14¾
..	..	Pelissiers, pref.	12	15	15	15
..	..	Trader's Building	5	65	65	65
1.25	9	United Grain Grow.	8	14	13⅝	14
..	..	Western Breweries	150	1	1	1
..	..	Western Grocers, c.	76	16	16	16

Stocks Not Traded in During Week*

	Bid	Ask		Bid	Ask
Beaver Lumber pf.	..	65	Pelissiers, com.	½	1
Beaver Fire	..	100	Northern Trust	..	19
City Dairy 7% pf.	..	35	Reliance Grain pfd.	52	58
City Dairy 8% pf	..	40	Can. Amer. Tr. shs	..	3½
Cres. Creamery pf.	..	45	Fundamental Ser. A	..	4½
Great West Life	260	..	Fundamental Ser. B	..	4½
Nor. Mtg. part pd	..	5	Group. Income Shs.	..	4.95

*Stocks more active on other exchanges not included.

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto
June 13, 1933

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	.95	....
Acadia Sugar 6% pfd.	3.50	4.00
Acme Farmers Dairy 7% pfd.	56.00	....
Acme Glove pfd. bonus c.	7.50	11.00
Agnew Surpass 7% pfd.	60.50	65.00
Allens London 7% pfd. bonus c.	33.00	....
Allens St. Cath. 7% pfd. bonus c.	33.00	....
Allens Toronto 7% pfd. bonus c.	20.50	....
Andian Nat. Corp. U.S. Fds.	19.75	21.75
Atlantic Sugar "A" pfd.	80.00	85.00
B.C. Pulp & Paper pfd.	5.50	9.00
Burns pfd. bonus com.	6.00	....
Canada & Dom. Sugar	33.00	34.50
Canada Mach. c.	4.00	6.25
Canada Mach. pfd.	20.50	....
Canada Pack. c.	30.00	....
Canada Pack. pfd.	98.50	101.00
Canada Starch 7% pfd.	60.50	68.00
Canada Tea 7% pfd.	....	50.00
Canada Wire & Cable 6½% pfd. W.W.	60.00	....
Can. Industries c. "A"	102.00	....
Can. Industries c. "B"	98.00	103.00
Can. Industries 7% pfd.	124.00	127.00
Can. Westing.	48.00	....
A. W. Chase pfd. bonus c.	10.00	14.00
Claude Neon Gen. Adv. Units	8.00	10.00
Dodge Mfg. "A" pfd.	....	9.00
Dom. Foundries & Steel 8% pfd.	....	65.00
Dom. Foundries & Steel c.	4.00	....
Dom. Manufacturers 7% pfd.	66.50	....
Dunlop Tire 7% pfd.	40.50	46.00
Eastern Dairies Ltd. 7% pfd.	....	44.00
Edmonton Stockyards Units	38.50	52.00
Fed. Grain c.	3.50	....
A. J. Freiman pf.	49.00	....
Federal Grain 6½% pfd.	35.00	....
Gen. Steel Wares pfd.	17.00	....
Goderich Elevator & Transit	6.50	8.00
Greening Wire 7% pfd.	50.00	....
Guelph Carpet 6½% pfd. bonus	63.00	70.00
Guelph Carpet c.	4.75	....
Inter City Baking com.	9.00	....
Inter. Proprietaries "A"	22.25	23.25
Langleys Ltd. 7% pfd.	20.25	23.00
Loew's London c.	.55	1.00
Loew's London 7% pfd.	3.75	4.10
Loew's Toronto c.	5.00	....
Loew's Toronto 7% pfd.	50.00	....
Massey Harris 5% pfd.	23.00	25.00
Medical Arts pfd. bonus c.	97.00	....
Melchers Distilleries "A"	3.00	3.75
Mount Royal Hotel c.	.35	.70
Mount Royal Hotel 6% pfd.	3.00	4.00
Nat. Grocers c.	1.50	2.00
Nat. Grocers 7% 2nd pfd.	63.00	....
Paramount Kitchener pfd.	29.50	....
Paramount Oshawa com.	2.25	....
Paramount Oshawa pfd.	29.00	....
Provincial Paper 7% pfd.	49.00	....
Reliance Grain 6½% pfd.	50.50	....
Rolland Paper 6% pfd. W.W.	28.75	....
Standard Clay Products c.	....	15.25
Ind. Stock cont'd.		
Standard Fuel 6½% pfd. bonus	61.00	....
Supersilk pfd. bonus	29.25	....
Supertest Petroleum "B"	19.00	....
Toronto Elevators 7% pfd.	87.00	89.00
Un. Grain Grow.	14.00	16.00
Western Grain 6½% pfd. bonus	18.00	20.00
Western Grocers pfd.	85.00	90.00
Insurance Stocks:		
Br. Amer. Assce.	20.00	....
Canada Life Ass.	376.00	390.00
Can. Fire Ins.	49.50	55.00
Confederation Life 20% pd.	120.00	125.00
Continental Life 20% pd.	35.00	44.00
Crown Life Ins.	96.00	110.00
Dom. Fire Ins.	83.00	....
Dom. Life 50% pd.	137.00	....
Dom. of Can. Gen. Ins.	90.00	100.00
Empire Life 25% pd.	9.00	12.00
Excelsior Life 30% pd.	67.00	....
Fidelity Ins. Co.	48.50	....
Great West Life Assce.	250.00	....
Guarantee Co. of N. A.	245.50	....
Imperial Life	270.00	....
Mfrs. Life Ins.	236.00	250.00
Monarch Life 10% pd.	13.50	16.00
National Life 25% pd.	55.00	65.00
Saskatchewan Life 10% pd.	....	12.00
Sovereign Life 25% pd.	16.00	20.00
Sun Life Assur.	465.00	485.00
Western Assur. c.	14.75	18.00
Western Life 20% pd.	8.00	12.50
Trust & Loan Stocks:		
Br. Mtg. & Trust	151.50	160.00
Can. Gen. Invest. Ltd.	5.40	5.70
Chartered Trust	52.50	....
Debenture & Sec. 5% pfd.	14.00	....
Eastern Can. Sav. & Loan	110.00	115.00
Eastern Trust	135.00	145.00
Guelph & Ont. Inv. par $50	48.00	51.00
Investment Foundation Units	22.25	....
Lambton Loan & Savings	50.00	60.00
London & Western Trust	50.50	....
Mtg. Disc. pfd.	1.60	2.25
Premier Trust	78.50	85.00
Provincial Bank	85.50	90.00
Security Loan & Savings	99.25	....
Sherbrooke Trust	100.00	111.00
Sterling Trust	....	45.00
Traders Fin. c.	.50	....
Traders Fin. 7% "A" pfd.	23.50	....
Trusts & Guar.	29.00	32.50
Victoria Trust & Savings	130.00	140.00
Waterloo Trust & Savings	89.00	101.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	93.00	95.00
Calgary Power 6% pfd.	78.00	80.50
Can. Light & Pwr. com.	22.00	26.00
Can. West. Nat. Gas LH&P c.	23.00	....
Can. West. Nat. Gas LH&P pfd.	73.00	75.50
Maritime Tel. & Tel. c.	7.10	8.00
Maritime Tel. & Tel. 7% pfd.	10.00	11.00
N.B. Telephone c.	6.10	7.50
Nor. Ont. Pwr. c.	10.00	....
Nova Scotia L&P 6% pfd.	70.00	74.00

Recent London Quotations:	
Brewers & Distillers	8s.
Can. & For. Secs.	3s. 6d.
Can. West. Lumber	1s. 3d.
Hudson's Bay	26s. 3d.
Do., 5% pref.	83s. 9d.
Internat. Holdings	$2
Nfld. Pr. & Pap. deb. stock "B"	90¼
Trust & Loan of Can.	6d

Dividends Declared

	Present Annual rate	Amt. this payment	Date payable	Date of record
Agnew Surpass pref.	7%	1¾%	July 3	June 15
Associated Breweries, pref.	$7	$1.75	July 3	June 15
Brit. Amer. Oil (13)	80c	20c	July 3	June 16
B. C. Power "A"	$2	50c	July 15	June 30
Bank of Nova Scotia	12%	3%	July 3	June 15
Brazilian Traction, pref.	6%	1½%	July 3	June 15
Bell Telephone	$6	$1.50	July 15	June 23
Building Products "A" & "B"	$1	25c	July 3	June 20
Brantford Cordage, pfd.	8%	2%	July 15	June 20
Burt, F. N.	$2	50c	July 3	June 15
Do., pref.	$7	$1.75	July 3	June 15
Can. Northern Pr.	80c	20c	July 25	June 30
Do., pref.	$7	$1.75	July 15	June 30
Can. For. Invest. pref.	$8	‡$4	June 18	June 1
Can. Canners 1st pfd.	6%	1½%	July 3	June 15
Do., 2nd pfd.	20c	5c	July 3	June 15
Can. Perm. Mortgage	10%	2½%	July 3	June 15
Canadian Car, pref.	$1.75	44c	July 10	June 26
Can. Cottons, pref.	6%	1½%	July 4	June 17
Canadian Oil pref.	8%	2%	July 1	June 20
Canada Malting	$1.50	37½c	June 15	May 31
Can. Celanese, pref.	$7	$1.75	June 30	June 17
Do., on arrears	...	$1	June 30	June 17
Calgary Power, c.	6%	1½%	July 3	June 15
Central Can. Loan	$8	$2	July 3	June 15
Can. Gen. Electric	$3	75c	July 3	June 15
Do., pref.	$3.50	87½c	July 3	June 15
Can. Wineries	20c	10c	June 19	June 15
Colonial Nat. Gas	....	1%	June 15	....
Dominion Glass	$5	$1.25	July 3	June 15
Do., pref.	$7	$1.75	July 3	June 15
Dominion Bank	10%	2½%	July 3	June 20
Dome Mines	$1	25c	July 20	June 30
Do., extra	...	25c	July 20	June 30
Dominion Textile	$4	$1	July 3	July 15
Do., pref.	7%	1¾%	July 15	June 30
Dominion Stores	$1.20	30c	July 3	June 15
Dominion Rubber, pfd.	7%	1¾%	June 30	June 20
Fanny Farmer	$1	25c	July 1	June 15
Do., pref.	$2.40	60c	July 1	June 15
Freiman, A. J., pref.	6%	1½%	July 3	June 15
Falconbridge Nickel	...	10c	June 30	June 15
Gurd, Chas., pref.	7%	1¾%	July 3	June 20
Goderich Elevator	50c	25c	July 2	June 15
Goodyear Tire	$2.40	60c	July 3	June 15
Do., pref.	$7	$1.75	July 3	June 15
Huron & Erie Mtge.	$7	$1.75	July 3	June 15
Ham. Un. Theatres, pfd.	$7	$1.75	June 30	May 31
Hollinger Gold	65c	5c	June 17	June 2
Hunt's "A" & "B"	50c	12½c	July 3	June 17
Inter.-Hydro Elec. pfd.	$3.50	87½c	July 15	June 27
Inter. Nickel, pref.	7%	1¾%	Aug. 1	July 3
Imperial Tobacco	7%	1¾%	June 30	May 31
Jamaica Pub. Ser.	$1	25c	July 3	June 15
Do., pref.	7%	1¾%	July 3	June 15
Landed Bkg & Loan	6%	1½%	July 3	June 15
Mitchell, J. S., pfd.	7%	1¾%	July 3	June 16
McColl-Frontenac, pfd.	6%	1½%	July 15	June 30
Montreal C. & D. Bank	$12	$3+$1	July 3	June 15
New England Power	$2	50c	July 1	June 30
Do., pref.	$6	$1.50	July 1	June 30
Do., pref.	$2	50c	July 1	June 30
National Biscuit, c.	$2.80	70c	July 15	June 16
National Breweries	$1.60	40c	July 3	June 15
Do., pref	$1.75	44c	July 3	June 15
Noranda Mines (interim)	...	50c	July 10	June 13
Northern Ont. Power	$2	50c	July 25	June 30
Do., pref.	$6	$1.50	July 25	June 30
National Grocers, 2nd pfd.	7%	1¾%	July 1	June 20
National Trust	$8	$2	July 3	June 20
Nova Scotia L. & Pr. c.	$3	75c	July 3	June 17
Ottawa L. H. & Pr.	6%	1½%	June 30	June 15
Do., pref.	6½%	1⅝%	July 1	June 15
Ontario Loan & Deb.	12%	3%	July 3	June 15
Petrol Oil & Gas (interim)	...	1c	June 20	June 10
Premier Gold Min.	12c	3c	July 3	June 12
Page-Hersey	$3	75c	July 1	June 20
Do., pref.	7%	1¾%	July 1	June 20
Pioneer Gold (B.C.)	60c	15c	July 3	June 10
Porto Rico Power, pfd.	7%	1¾%	July 3	June 15
Provincial Paper, pfd.	7%	1¾%	July 3	June 15
Real Estate Loan	5%	2½%	July 3	June 19
Riverside Silk "A"	$2	25c	July 3	June 15
Siscoe Gold	12c	3c	June 30	June 15
Southern Can. Power pfd.	6%	1½%	July 15	June 20
Supertest Pete. pref. "A"	7%	1¾%	July 3	June 15
Do., pref. "B"	6%	1½%	July 3	June 15
Do., com. and ord.	$1	25c	July 3	June 15
Sylvanite Gold	4%	2%	June 30	May 31
Do., extra	...	½%	June 30	May 31
Teck-Hughes	60c	15c	Aug. 1	July 13
Thrift Stores	...	†10c	July 1	June 20
Tuckett Tobacco, pref.	7%	1¾%	July 15	June 30
Toronto Gen. Trusts	$8	$2	July 3	June 17
Toronto Mortgage	$6	$1.50	July 3	June 15
Western Grocers, pref.	$7	$1.75	July 15	June 20
Wright-Hargreaves	20c	5c	July 3	June 10
West. Kootenay Pr., pfd.	7%	1¾%	July 3	June 23
Weston, George, c.	$7	25c	July 1	June 20

†Initial.
‡Paid on account of arrears covering 6 months end. Dec. 31, 1932.

Dividend Rate Increased:
Pioneer Gold (B.C.) July 3, 24c to 60c per annum.

Dividend Rate Reduced:
Bk. of Nova Scotia, July 3, 14% to 12% per annum.
Real Estate Loan, July 3, 7% to 5% per annum.
Can. Gen. Electric, c., July 3, $4 to $3 per annum.
Nova Scotia L. & Pr., c., July 3, $4 to $3 per annum.
National Trust, July 3, $10 to $8 per annum.

Extra Dividends:
Dome Mines, July 20 25c.
Sylvanite Gold, June 30, ½%.
Montreal C. & D. Bank, July 3, $1.

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75.50
8.00
11.00
7.50
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8s.
3s. 6d.
1s. 3d.
6s. 3d.
3s. 9d.
.... $2
90¼
.... 6d

Date of record
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31, 1932.

AN. WIREBOUND SALES REDUCED RETAINS CASH

ales Drop 21 p.c.; 1,400 Shares of Preferred Redeemed

Sales of Canadian Wirebound Boxes Ltd. showed net reduction of 21.3 per cent in the year ended April 30, 1933, and gross earnings dropped to $41,028 from $71,984. Net loss of $511 is shown after provision for depreciation and write-offs and taking in various adjustments. In the previous year net earnings of $36,148 were shown. The company maintained a satisfactory working capital position and during the year bought in 1,400 shares of class A stock at a cost of $6,154.

Income and surplus accounts for the past two years compare as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended April 30

	1933 $	1932 $
Gross earnings	41,028	71,984
Less: Deprec.	47,054	36,599
Def. oper. exp. w/o	4,224	....
Deferred experimenting & testing w/o	1,299	....
Prev. yrs. adjust.	....	1,153
Add: Adjust. bad debt res.	7,877	....
Royalties adjust.	2,311	....
Prev. yrs. adjust.	850	....
Fire loss adjust.	....	1,916
Net profit	*511	36,148
Less: Cl. 'A' divds.	35,807	72,423
Surplus for year	*36,318	*36,275
Add: Prev. surplus	39,147	79,726
Inc. tax refund	....	93
Less: Addit. inc. tax	375	426
Prov. taxes	552	....
Loss on sale of equip.	....	77
Spec. surplus acct.	....	3,894
Surplus forward	1,902	39,147

*Loss.

Cash shows small reduction to $25,698 while call loan has been reduced to $45,000 from $80,000. Investments, not shown in 1932, are carried at $100,822, practically market value. Accounts receivable are down to $96,538 from $125,289; inventories to $100,900 from $177,040. Current liabilities include accounts payable of $31,307 and accrued expenses of $10,194. Working capital position is as follows:

Working Capital at April 30

	1933 $	1932 $
Current assets	368,960	411,184
Current liabilities	41,501	60,060
Working capital	327,459	351,124

Fixed assets are carried at $847,204 after deducting depreciation reserve of $847,204. Deferred expenses on Toronto corrugated operations are shown at $11,045, $5,523 having been written off during the past year. Patents, leases, etc., are carried at $1,019,177. Prepaid expenses and accrued revenue are shown at $8,033. Mortgage payable has been reduced to $40,000 from $50,000. There remain outstanding 70,555 shares of class A stock and 40,000 shares of class B stock. Earned surplus is reduced to $1,902 while unearned surplus has been reduced to $61,057 from $275,000 largely due to reduction of book value of patents and leases by $235,590.

Note:—See Page 2 for information as to how a complete analysis of this company can be obtained.

MUIRHEADS HAS LOWER VOLUME REPORTS LOSS

Cash Position is Retained; Working Capital Higher

Lower prices and a drop of 2½ per cent in the number of customers served, reduced sales of Muirheads Cafeterias Ltd. by 16.3 per cent during the year ended February 28, 1933. In recent weeks some improvement has been shown amounting to five per cent increase in the number of customers as compared with the same period in 1932. Prices of meals have not been increased although raw material costs are higher.

Earnings in the year ended February 28, 1933, are reported at $17,086 as against $47,591 in the previous year. Provision for depreciation of $30,000 leaves a loss of $12,914 increased by payment of preferred dividends and adjustments so that capital is impaired to the extent of $6,067. Income and surplus account for the past two years is as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended Feb. 28

	1933 $	1932 $
Net earnings	17,086	47,591
Less: Depreciation	30,000	30,000
Tax reserve	....	1,000
Net profit	*12,914	16,591
Less: Pfd. divd.	1,759	5,796
Common divds.	....	7,871
Surplus for year	*14,673	2,924
Add: Prev. surplus	8,446	12,894
Disc. on pfd. shs. redeemed	557	....
Sundry adjustments	50	306
Less: Inc. tax adjust.	127	....
Adjust. invest. to market value	320	7,678
Surplus forward	*6,067	8,446

*Loss.

Working capital has been improved with ratio of current assets to current liabilities at 6.28 to 1. Cash is shown at $7,675 and call loan, since paid off, at $17,000. This compares with cash of $21,971 at the end of the previous year. Bonds and stocks, shown at market value, are slightly lower at $69,962 but appreciation in values has been shown in this account in the past few weeks. Inventories are down to $11,398 from $13,370; prepaid tax receipt is shown at $7,500 and prepaid expenses and accrued revenue at $6,767. Accounts payable amount to $13,775; accrued expenses and prepaid revenue to $5,393. Working capital position is as follows:

Working Capital at Feb. 28

	1933 $	1932 $
Current assets	120,302	124,538
Current liabilities	19,168	30,875
Working capital	101,134	93,663

Capital assets are carried at $292,704 after deducting depreciation reserve of $136,500. Leases, trade name and goodwill are carried at $150,000. Preferred shares of $10 par value outstanding amount to $69,700,525 shares having been redeemed during the year at a profit of $557. There are 78,710 common shares outstanding. No dividends have been paid on the 7½ per cent preferred stock since July 1, 1932.

Note:—See page 2 for information as to how a complete analysis of this company can be obtained.

Index to Mining Stocks

The weighted index number of 20 mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100, was 105.2 for the week ending June 8, as compared with 101.0 for the previous. Eleven gold stocks rose from 95.0 to 97.5, four gold-copper stocks from 131.6 to 141.2, and five silver and miscellaneous stocks from 42.6 to 46.1.

Great Bear Lake Flying Season Opened

Opening the summer flying season two weeks ahead of last year, previously the earliest date, a Canadian Airways machine piloted by Walter Gilbert, landed at Cameron Bay, Great Bear Lake, N. W. T. on June 10.

The earlier opening of the summer flying season to this new mining area may be attributed to improved radio communications maintained in part by the Canadian Airways Ltd.

Ontario Gold Output Near Record Levels

Production figures for Ontario gold mines in May, as reported to the Ontario Department of Mines, again showed a slight decline from the high record in March, but remained above the figures of January and February.

Individual mines in order of output for May were: Lake Shore, Hollinger, McIntyre, Dome, Teck-Hughes, Wright-Hargreaves, Howey, Sylvanite, Coniaurum, Vipond, Toburn, Buffalo-Ankerite, Kirkland Lake Gold, Ashley, Moss, Parkhill, Minto.

Monthly Output of Ontario Gold Mines
1933

	Ore milled tons	Total Value $
Porcupine Belt		
January	283,951	1,615,855
February	256,653	1,733,265
March	285,040	2,049,151
April	276,879	1,783,004
May	287,229	1,830,930
Kirkland Lake Belt		
January	155,050	1,770,131
February	136,988	1,787,399
March	141,716	1,858,867
April	143,880	1,764,847
May	154,255	1,702,493
Northwestern Ontario		
January	34,738	119,712
February	31,281	94,690
March	35,148	151,280
April	28,891	134,450
May	34,487	121,019
Total for Ontario		
January	473,739	3,505,698
February	424,922	3,615,354
March	461,904	4,059,248
April	449,650	3,681,801
May	475,971	3,654,442

Morton Woolsey Consolidated Mines have taken option on some claims in the Bridge River district. This company was recently successful in effecting a sale of the Julie Enid group at Phillips Arm.

PIONEER HAS HOPES FOR LARGER MILL

Annual Meeting Inspires Optimism For Future Mine Capacity

From Our Own Correspondent

VANCOUVER.—Pioneer Mine in the Bridge River district is now getting the highest extraction of any mine in Canada, according to a report by David Sloan, managing director, told shareholders at the annual meeting recently. This comes as a shock to Dome Mines adherents for it is getting 98.48 per cent recovery.

In the last few years, said Mr. Sloan, the company has doubled production each year. He believes that next year's output will double that of the present year.

Present capacity is around 350 tons daily and he hopes to get it up to 400 tons daily.

All directors were re-elected and shareholders voted an indemnity to the directors of $1,000 a year each, and $2,000 to the president.

Costs had been reduced, Mr. Sloan reported operations with a larger proportion of ore going through the mill coming from development work. Additional power obtained last year had placed the company in a favorable position in that respect. Twenty machines will be operating in the mine shortly. As the veins are probed deeper values increase, said Mr. Sloan.

Following officers were re-elected: vice-president, Col. Victor Spencer; vice-president and secretary, A. E. Bull; managing director, David Sloan.

McLeod Oil Deficit $12,549 For Last Year

Annual report of McLeod Oil Co. for the year ended December 31, 1932, shows a net deficit of $12,549 as compared with a net profit of $1,589 in the previous fiscal year.

The balance sheet showed current assets of $7,524 and current liabilities of $5,226 leaving a net working capital of $2,298 as compared with $28,086 at the end of the previous year. The outstanding capitalization remains as before—266,855 shares of $1 par value.

Two more wells may have to be drilled on the company's holdings in Turner Valley, Alberta, under certain stipulations, according to W. E. McLeod, president of the company. Five wells have been drilled on the company's 80-acre lease.

Tailings

Normont Gold Mines reports the exploration force as having been increased at its property adjoining Granada in Rouyn township, Quebec. Surface showings for a length of 235 ft. show a width of from seven to eight ft., assaying $10.75 per ton in gold, while in the shaft $13.28 is reported.

* * *

The Hummingbird Co's. property, comprising five claims at the head of Whitewater Creek in the Ymir district of the Nelson mining division of B. C., is the latest gold property to take on renewed activity. Christie, Leitch & Co., of Vancouver, was sponsoring the sale of the stock issue, raising funds for equipping property for production. T. E. Levasseur Nelson is president of the company. Colonel John Leckie is its consulting engineer.

* * *

Pioneer Gold Mines of B. C. reports a gold output for May of $205,000 gross. Expenses of $53,000 before taxes and depletion leave a net profit of $152,000 as compared with $147,000 for April.

* * *

Siscoe Gold Mines is advertising for tenders for a three-compartment shaft to be sunk to a depth of 350 ft. on the mainland of Dubuisson Lake, to prospect a possible extension of its present workings on Siscoe Island. Present workings are already well out under the lake.

* * *

St. Anthony Gold Mines has completed a deal with New York interests to finance the rehabilitation of the property to production, according to officials of the company. Lawrence B. Wright, one time geologist of the Homestake Mining Co., is said to have made an investigation of the property which led to the new deal.

* * *

Cariboo District activity is increasing with numerous companies and syndicates preparing for active development and prospecting of the claims. Snow conditions around Barkerville prohibit the examination of ground except in isolated sections where the hills are bare on the south slope.

* * *

Bridge Island Golds Ltd. completed financing last week and announce arrangements are being made to begin work on their property in the Cariboo and Bridge River districts.

* * *

Beaver Silver work will shortly resume at Beaver Dell, B.C. The Beaver has been a shipper in the past.

Mining Stock Quotations

Week Ending June 12.

Par Val.	Range 1933 High	Range 1933 Low	Company	Sales	Close June 5 (or last)	High for week	Low for week	Close June 12
1	.05	.03	Abana		.03	.....	.....	.....
1	.02	.00½	Aconda	13,700	.01½	.02	.01½	.01½
No	.20	.03	Aldermac	4,100	.15	.20	.13	.20
1	.03½	.01	Alexandria	42,000	.03	.02½	.02½	.02¼
No	.05½	.02	Algoma	100,700	.02½	.02½	.02	.02½
1	.01	.00½	Algonquin	35,000	.00¾	.01	.00½	.01
1	.06	.00½	Amity C.	49,300	.03½	.03½	.02½	.03
No	.48	.10	Amulet	97,033	.44	.44	.38	.38
1	.01	.00½	Apex	......	.00½	.....	.....	.....
1	.05	.02	Area	55,017	.04	.05	.04	.04½
No	.04½	.01½	Arno	196,750	.03½	.03½	.02½	.03
1	1.36	.74	Ashley	1,400	1.25	1.26	1.15	1.18
1	.14	.02½	Bagamac	26,850	.07	.07½	.06½	.06½
1	.03	.00¾	Baldwin	5,500	.01	.01	.01	.01
1	.20	.08	Barry Hollinger	96,725	.10½	.14½	.11	.13
1	2.35	.75	Base Metals	62,625	2.05	2.30	1.95	2.28
No	1.00	.98	Beattie	......	.98	.....	.....	.....
1	.40½	.08	Big Missouri	76,350	.32	.32½	.26	.28
1	.20	.08½	Bobjo	69,400	.16	.17½	.15	.17
No	9.00	2.28	Bralorne	8,802	8.50	8.60	7.25	7.75
1	.25	.15	Brett Trethewey	13,600	.22½	.22½	.20	.21
1	.07½	.01½	Brownlee	706,450	.05½	.05½	.03½	.04
1	.02½	.00¾	Buckingham	322,500	.01	.02½	.01	.01½
No	.04½	.01½	Buffalo Can.	......	.02½	.....	.....	.....
No	.08½	.01½	Bunker Hill	331,400	.08	.08½	.06½	.06½
5s	1.25	.60	B'Wana McKubwa	400	1.25	1.23	1.23	1.23
No	.04	.02½	Canam Metals	......	.03	.....	.....	.....
1	.12½	.03	Can. Kirkland	587,900	.09½	.10½	.07	.10½
1	.01	.00½	Capital Rouyn	2,000	.00½	.00¾	.00½	.00½
1	.03½	.01	Cartier Malartic	6,000	.02	.02	.01½	.02
1	.56½	.15	Castle Trethewey	33,450	.46	.56½	.48	.56
1	.15	.05	Cen. Manitoba	70,860	.14	.15	.11	.15
1	.32	.17	Cen. Patricia	86,050	.28½	.31	.25	.30
No	.20	.03	Chibougamau Pros.	140,350	.18½	.20	.18½	.19
	.10½	.03	Churchill M. & Mill.	......	.05	.....	.....	.....
No	.02½	.00¾	Clericy	262,100	.02	.02½	.01½	.02
	.02½	.01	Clifton Cons.	93,000	.01½	.01½	.01½	.01½
5	9.00	1.65	Coast Copper	5,226	7.00	7.90	6.50	7.00
1	.05½	.00½	Cobalt Contact	314,000	.04½	.05½	.04½	.04½
1	.15	.05	Columario	52,400	.11	.14½	.11½	.14
5	1.35	.75	Coniagas	9,500	1.00	1.35	1.00	1.20
No	.55	.20	Coniaurum	10,146	.48	.50	.40	.43
25	135.00	54.00	Cons. Smelters	12,261	134.00	134.00	125.00	132.00
No	37.65	13.60	Dome Mines	37,349	33.65	37.65	33.00	35.75
No	.08½	.03½	Dom. Explorers	21,100	.07	.07	.05½	.06½
1	.01	.00½	Dom. Kirkland	6,500	.00½	.00½	.00½	.00½
1	.04	.01	Don Rouyn	2,000	.01½	.01½	.01½	.01½
1	.04½	.02	Duparquet	19,800	.02	.02½	.02	.02½
1	2.10	1.16	Eldorado	105,395	2.03	2.10	1.95	2.09
No	4.55	1.80	Falconbridge	30,140	4.00	4.25	3.90	4.15
1	.02½	.01	Federal	14,500	.01½	.02	.01½	.02
No	.02½	.01½	Flintoba	......	.02½	.....	.....	.....
No	.05	.01	Gilbec	212,000	.03½	.05	.03½	.05
1	[illegible]	.04	Goldale	123,124	.09	.15	.09	.14
10	[illegible]	.10	Goldfield	38,760	.21	.29	.17	.24
[illegible]	.01½	.01	Gold Reef	......	.01	.....	.....	.....
1	.09½	.02	Goodfish	48,800	.08	.09½	.06	.08½
1	.03½	.01	Graham	9,400	.02	.02½	.01½	.02½
1	1.95	1.19	Granada	115,495	1.30	1.40	1.20	1.30
1	.18	.06	Grozelle	23,600	.06½	.18	.08	.16
1	.33	.24	Halcrow Swayze	4,200	.32½	.33	.32	.32½
1	.06	.02	Harker	56,300	.04½	.05½	.04	.05½
1	.01½	.00½	Hilltop	16,100	.01½	.01½	.01	.01½
5	10.90	6.00	Hollinger	66,380	10.15	10.75	9.90	10.60
1	.98	.61	Howey Gold	166,817	.87	.98	.85	.98
No	10.55	3.10	Hudson Bay	6,020	10.25	10.50	9.75	9.95
No	.41	.25	Huronian	320	.41	.40	.38	.40
No	20.50	8.00	Int. Nickel	253,196	17.25	20.50	16.90	20.45
1	.03	.00½	Jackson Manion	43,000	.01½	.03	.01½	.03
1	.50	.20	Keeley	10,100	.45	.50	.45	.50
1	.02	.00½	Keora Mines	......	.00¾	.....	.....	.....
1	.76	.48	Kirk.-Hud. Bay	2,000	.75	.74	.70	.72½
1	.02¾	.00½	Kirk. Hunton	98,500	.00¾	.01½	.00¾	.01
1	.52	.30	Kirkland Lake	150,260	.39	.50	.39	.47
1	.04	.01½	Kirkland Premier	85,992	.03¾	.04	.03½	.03½
1	.38½	.12	Kirk. Townsite	270,500	.19½	.38½	.19	.33
20c	.02¾	.00½	Koot. Florence	49,000	.02½	.02½	.02	.02½
1	.35	.15	Lakeland	1,500	.18	.25	.23	.25
No	.18½	.07	Lake Maron	57,600	.09½	.12	.09½	.11
1	45.50	30.75	Lake Shore	36,333	40.75	45.50	41.00	44.00
1	.08	.02½	Lebel Oro	4,500	.05	.05	.04	.04
1	.73	.20	Macassa	773,505	.52	.73	.51	.70
1	.23	.05	Malartic	37,800	.19	.19½	.17	.18
1	.02½	.01	Malrobic	125,200	.02½	.02½	.02½	.02½
No	.17	.02½	Mandy	12,700	.15	.15	.12	.12
No	.04½	.01	Manitoba Basin	295,856	.04	.04½	.03½	.04½
5	36.25	21.20	McIntyre	34,440	33.00	36.25	32.45	36.00
1	.50	.30	McKinley	......	.43	.....	.....	.....
No	.08	.02½	McLeod River	84,100	.04	.04½	.03½	.04
1	.35	.03	McMillan	162,850	.22½	.35	.22	.32
No	.79	.46	McWatters	44,400	.75	.75	.73	.75
1	.84	.15	McVittie	46,595	.74½	.73	.65	.68
5	1.10	.06	Mentor Exp. & Dev.	100	1.10	1.10	1.10	1.10
No	2.40	1.20	Mining Corp.	16,200	2.18	2.35	2.10	2.25
1	.05	.01½	Moffatt Hall	95,750	.04	.04	.03½	.03½
1	.08½	.02	Moneta	17,000	.06½	.08½	.07	.07
1	.00½	.00½	Montreal Rouyn	8,500	.00½	.00½	.00½	.00½
1	.40	.11½	Moss	77,150	.12½	.13	.11½	.12½
1	.02½	.00½	Murphy	76,100	.02½	.02½	.02	.02½
No	.06½	.02½	Newbec	29,300	.05½	.05½	.04½	.04½
1	.06	.01½	Night Hawk Penn.	4,500	.04	.04	.04	.04
5	3.40	1.15	Nipissing	15,465	3.05	3.40	3.05	3.20
No	35.15	19.75	Noranda	68,197	33.00	35.15	32.40	34.50
No	.52	.32½	Nor. Canada	22,500	.48	.49	.44	.49
No	.31½	.19½	Normont Gold	7,050	.31	.31½	.30	.31½
1	.34	.05	Osisko	7,000	.19	.20	.15½	.19
1	.28½	.11	Parkhill	25,300	.21	.23½	.21½	.22½
1	.08½	.01½	Pawnee Kirk.	5,100	.01½	.02½	.02	.02½
1	1.80	.50	Pend Oreille	14,885	1.50	1.55	1.45	1.53
1	.03½	.00½	Peterson Cobalt	13,200	.03½	.03	.02½	.02½
1	16.25	4.30	Pioneer Gold B.C.	67,696	15.25	16.25	15.20	15.80
1	.08	.00½	Porcupine Crown	19,200	.02½	.03	.02	.02½
1	.01½	.00½	Potter Doal	11,000	.01½	.01½	.01½	.01½
1	1.48	.55	Premier Gold	147,625	1.03	1.48	1.03	1.48
1	.03½	.00¾	Preston E. Dome	31,800	.02½	.02½	.02½	.02½
No	1.50	.68	Prospectors Air's.	6,800	1.10	1.45	1.10	1.40
No	*1.00	1.00	Quebec Pros.	......	.....	.....	.....	.....
No	.15	.03	Quemont	3,175	.15	.14	.13	.13½
1	2.75	.60	Reno	157,550	2.10	2.75	2.05	2.55
1	.02½	.00½	Ribago	130,000	.02½	.02½	.01½	.02
1	.03	.01½	Ritchie	31,000	.02½	.03	.02½	.02½
1	.04	.01	Robb Montbray	8,000	.03	.03½	.02½	.03
1	1.25	.75	San Antonio	29,892	1.19	1.23	1.15	1.19
1	.03	.03	Seven Troughs	......	.03	.....	.....	.....
1	1.61	.33	Sherritt Gordon	111,552	1.39	1.40	1.25	1.30
1	1.77	1.25	Siscoe	222,720	1.60	1.69	1.52	1.58
1	.10½	.02½	South Keora	2,200	.03½	.03½	.03	.03
No	.06	.01½	Stadacona	154,550	.03	.03½	.03	.03½
1	.60	.07	St. Anthony	127,250	.30	.60	.30	.48
No	2.21	.60	Sudbury Basin	22,415	1.90	1.95	1.75	1.80
1	.11	.00½	Sudbury Contact	53,350	.08	.10	.07½	.09
1	.01½	*.00½	Sudbury Mines	23,000	.01½	.01½	.01	.01½
No	.16½	.16½	Sudbury Nickel	......	.16½	.....	.....	.....
1	.38½	.20	Sullivan	49,400	.32	.32	.28	.28
1	1.26	.72	Sylvanite	181,112	1.20	1.26	1.12	1.19
1	.03½	.01½	Tashota	......	.01½	.....	.....	.....
1	7.25	3.70	Teck-Hughes	243,641	6.35	7.25	6.30	6.85
1	.10	.03	Thom. Cadillac	15,900	.09	.08½	.06	.06½
1	.40	.10	Towagmac	6,900	.34	.34	.28	.28
1	3.00	1.00	Treadwell	200	2.45	2.75	2.25	2.75
1	.17	.04	United Kirkland	68,800	.09	.17	.09	.15
No	.06½	.01½	Vacuum Gas	21,200	.03½	.03	.02½	.02½
No	2.40	2.30	Venezuela	......	2.35	.....	.....	.....
No	1.50	.80	Ventures	126,040	1.28	1.30	1.18	1.20
1	.22	.03	Vickers	16,500	.03	.04	.03½	.03½
1	.75	.20	Vipond	24,180	.63	.63	.55	.61
No	1.65	.35	Waite Ackerman	15,175	1.37	1.65	1.40	1.55
50c	.70	.48½	Wayside	317,350	.51	.57	.43	.53
1	.07½	.02½	White Lake	1,600	.04½	.07	.05½	.05½
1	.28	.02	Wiltsey Coughlan	223,900	.22	.28	.20	.27½
1	.27	.07	Wood Kirkland	19,993	.14	.27	.14½	.25
No	7.00	3.73	Wright-Hargreaves	212,065	6.40	7.00	6.30	6.75

OIL STOCKS

Par Val.	Range 1933 High	Range 1933 Low	Company	Sales	Close June 5 (or last)	High for week	Low for week	Close June 12
No	.13½	.06	Acme Gas & Oil	11,120	.12	.12	.10	.11
1	.04½	.04½	Admiral	......	.04½	.....	.....	.....
1	1.00	.55	Ajax	21,300	.90	.95	.83	.85
1	.23½	.05	Alta. Pacific	2,100	.20	.21	.18	.18
1	.18½	.05	Amalgamated	23,900	.18	.18½	.15½	.17
No	.14	.04	Associated	6,200	.12	.12	.10	.12
No	.06	.01	Baltac	700	.04	.04	.04	.04
1	*.05	.02½	Brit. Dominion	......	.....	.....	.....	.....
No	.80	.25	Calgary & Ed.	1,500	.80	.80	.70	.75
1	.13	.03	Calmont	1,900	.12	.12	.10	.10
1	.11	.03½	Common. Pete.	1,000	.06	.08	.08	.08
No	.45	.05	Dalhousie	3,365	.31	.32½	.25	.32½
No	.02	.02	Devenish	......	.02	.....	.....	.....
No	.02	.00½	Dome Oil	......	.....	.....	.....	.....
No	.22	.05½	East Crest	1,000	.20	.17	.15	.15
No	.36	.25	Erie Gas	......	.27	.....	.....	.....
No	.01½	.00½	Fabyan Pete	279,500	.00½	.01	.00½	.01
No	.41	.06	Foothills	900	.34	.30	.25	.28
No	.09½	.04	Freehold	11,500	.08	.09½	.06	.06
1	*.02	.00½	Great West	......	.....	.....	.....	.....
No	.06½	.01½	Hargal	......	.05	.....	.....	.....
No	*.05	.02	High Sarcee	......	.....	.....	.....	.....
No	1.06	.30	Home	10,735	1.00	1.00	.92	.92
No	*.05	.01½	Homestead	......	.....	.....	.....	.....
1	.20	.10	Homestead O. & G.	7,100	.18	.17	.14	.14
1	*.01	.00½	Illinois Alberta	......	.....	.....	.....	.....
No	.02½	.00½	Lethbridge	......	.....	.....	.....	.....
No	.17	.15	Lowery	2,000	.15	.17	.15	.15
No	*.02	.00½	Madison	......	.....	.....	.....	.....
	.06½	.05½	Marjon Oil	7,900	.06	.06½	.05½	.06½
1	1.00	.14	Mayland	2,050	.82	.85	.72½	.72½
No	.08	.03½	McD. Segur Ex.	7,000	.05	.08	.05	.05
No	.50	.25	McLeod	2,225	.40	.45	.36	.42
1	.15	.07½	Mercury	17,370	.12	.15	.12	.13
No	.32	.11	Merland	3,200	.30	.30	.26	.26
No	.20	.09	Mill City Pete	1,600	.16	.20	.16	.20
1	.45	.12	Model	11,155	.36	.45	.30	.40
1	*.05	.04	Monalta	......	.....	.....	.....	.....
1	*.07	.03	Moose Mountain	......	.....	.....	.....	.....
1	*.01	.01	New Federal	......	.....	.....	.....	.....
1	.20	.09	Nordon	10,300	.15	.17	.12½	.12½
5	.05	.02½	Oil Selections	13,000	.04½	.04	.03½	.04½
No	.15	.04½	Okalta	......	.11½	.....	.....	.....
No	.58½	.20	Olga Gas & Oil	138,600	.49	.58½	.45	.57½
No	.03½	.01	Penn. Pete.	......	.01½	.....	.....	.....
1	.20	.13	Petrol Oil & Gas	6,200	.15	.20	.18½	.20
No	*.14	.08	Ranchmen's	......	.....	.....	.....	.....
1	*.01	.00½	Regent	......	.....	.....	.....	.....
No	.02	.02	Richfield	......	.02	.....	.....	.....
No	16.00	5.75	Royalite	480	14.00	14.50	13.00	14.50
1	.20	.05	Sarnia Oil	14,200	.18	.17½	.11	.14
1	.03	.01	Signal Hill	......	.....	.....	.....	.....
No	.16	.04	South West Pete.	......	.10	.....	.....	.....
1	.06	.06	Spooner	......	.06	.....	.....	.....
No	.38	.12	Sterling Pacific	400	.36	.30	.30	.30
	.43½	.43	Trinidad Oil	......	.43½	.....	.....	.....
1	*.11	.07½	Turner Valley	32,150	.11	.12½	.08	.08
No	.16	.03	United	51,250	.06	.20	.08	.20
No	.20	.06	Vanalta	......	.....	.....	.....	.....
1	.09½	.03	Vulcan	......	.00½	.....	.....	.....
No	.01	.00½	Wainwell	......	.....	.....	.....	.....

VANCOUVER STOCK EXCHANGE
(Transaction for Week to June 6.)

Par Val.	Range 1933 High	Range 1933 Low	Company	Sales	Close May 30 (or last)	High for week	Low for week	Close June 6
25c	.01½	.00½	Bayview	29,500	.01½	.03	.01½	.02½
20c	.09	.02½	Beaver Silver	175,900	.08½	.09	.06½	.08½
25c	.17	.05½	Big Slide	130,200	.08	.10	.07	.08
25c	.06½	.02	Bluebird	16,000	.05½	.06	.04½	.05
No	9.00	1.38	Bralorne	17,337	7.80	9.00	7.80	8.15
1	.57	.05	Bridge River Cons.	91,600	.55	.55	.45	.45
	.71	.35	Bridge River Exp.	142,060	.65	.64	.54	.57
100	89.00	88.50	B.C. Electric, pref.	......	88.50	.....	.....	.....
1	1.50	.60	B. C. Silver	300	1.50	1.45	1.35	1.35
	.82	.65	Burns Mountain	9,050	.70	.82	.75	.75
1	4.15	1.50	Cariboo Gold	148,980	3.25	4.15	3.20	3.50
No	12.90	5.60	Coast Breweries	1,090	10.25	10.50	10.00	10.00
25c	.02½	.00½	Cork Province	85,300	.02	.02½	.02	.02
1	.02½	.02½	Cotton Belt	......	.02½	.....	.....	.....
1	.08	.00½	Dalhousie Mines	52,000	.07½	.08	.05	.06
	.02	.02	Dunwell	......	.02	.....	.....	.....
1	1.00	.28	George Copper	3,245	.75	1.00	.85	.90
50c	.12	.04	Geo. Enterprise	70,800	.07	.12	.07½	.07½
1	.09½	.02	Georgia River	295,855	.07½	.09½	.07	.08½
1	.60	.16	Golconda	3,400	.50	.60	.48	.48
	1.00	.60	Gold Belt	20,250	.85	.95	.85	.90
50c	.11	.03½	Grandview	94,100	.09½	.11	.07½	.08
1	.01½	.00½	Independence	......	.01	.....	.....	.....
1	.03½	.02	Indian Mines	9,500	.03	.03½	.02½	.02½
1	.17	.08½	Inter. Coal	1,000	.15	.15	.15	.15
1	*.21	.21	Jack Waite	......	.....	.....	.....	.....
	.57	.39	Kootenay Belle	28,150	.54	.57	.39	.40
25c	.02	.00½	Kootenay King	6,300	.01½	.02	.02	.02
	.01	.01	Lakeview	......	.01	.....	.....	.....
10c	.06½	.01	Lucky Jim	51,350	.06	.06½	.05	.06
10c	1.05	.20	Meridian Min.	200,775	.65	.80	.60	.67
5c	.10½	.05	Metaline Metals	25,200	.07	.10½	.07½	.10
1	.04	.00½	Morton Woolsey	74,300	.02½	.04	.02½	.03½
	.41	.18	Morning Star	140,750	.32	.35	.20	.25½
	.20	.09	Native Sons	159,750	.13	.29	.12	.25
50c	.10½	.00½	National Silver	334,621	.09½	.10½	.06½	.07½
	.85	.74	Nicola	4,260	.81	.85	.79	.82
50c	.21½	.02½	Noble Five	168,300	.20	.21	.17	.18
50c	.01	.00½	Oregon Copper	......	.01	.....	.....	.....
	1.25	.40	Pioneer Ext.	5,100	.60	1.25	.63	1.10
1	15.75	4.30	Pioneer Gold	11,435	12.25	15.75	12.75	15.40
1	.11	.10	Planet	......	.10	.....	.....	.....
50c	.19	.04½	Porter Idaho	74,400	.17½	.19	.12½	.15½
No	.04	.00½	Premier Border	696,700	.08	.04	.02½	.03
1	.10	.02	Quatsino	20,800	.04	.10	.08	.08
No	.42	.10	Reeves McDonald	19,645	.30	.42	.35	.35
	.22	.04	Reward Min.	100,300	.20½	.22	.16	.17
	.30	.25	Reliance	9,750	.27	.30	.25	.27
1	2.41	.60	Reno Gold	234,985	2.10	2.25	1.90	2.20
1	.10	.01	Rufus Argenta	47,400	.08	.08½	.05½	.06½
1	.07	.02½	Ruth Hope	21,550	.05½	.06	.05	.05
1	.12	.03½	Silverado	19,045	.10	.12	.08	.08
20c	.03	.01½	Silversmith	......	.03	.....	.....	.....
25c	.09	.01	Silver Crest	215,230	.07½	.09	.06	.07
	.61	.50	Standard Gold	1,000	.58	.58	.50	.50
50c	.04½	.01	Snowflake	102,500	.03	.03	.02	.02½
1	.50	.25	Sunloch	1,100	.25	.50	.25	.50
50c	.60	.08	Wayside	348,850	.57	.60	.40	.45
25c	.12	.01½	Waverley Tangier	164,600	.09½	.12	.09½	.09½
20c	.05	.01½	Wellington	40,500	.05	.05	.03½	.04
1	.18	.03	Whitewater	44,300	.17½	.18	.16	.16
	.48	.40	Yankee Belle	800	.47	.48	.45	.48

*Quotations for 1932. No sales recorded in 1933 to date.

DIVIDEND PAYERS

	Rate	Yield %
Ajax Oil	8c.	9.41
Coniagas‡	12½c.	.....
Coniaurum†	2c.	.....
Cons. Smelters*	10%	.....
Dome Mines	$1+55c.	4.34
Falconbridge	10c.	.....
Hollinger	65c.+10c.	7.07
Howe Sound	40c.	.....
Lake Shore	$2+$1	6.81
McIntyre	$1.50+12½c.	4.51
McLeod Oils‡	5c.	.....

*Stock. ‡Interim. †Initial.

	Rate	Yield %
Merland Oils†	2½c.	.....
Noranda‡	50c.	.....
Petrol Oil	*2c.	.....
Premier	12c.	8.10
Pioneer, B.C.	60c.	3.79
Royalite	*1.50	.....
Siscoe	12c.	7.59
Sterling Pacific Oil†	*2½c.	.....
Sylvanite	4+1c.	4.20
Teck-Hughes	60c.	8.75
Wright-Har.	20c.	2.96

*Paid in 1932.

Textile Company Reviews

(Continued from page 12-15)

CAN. CONS. FELT

Small Improvement in Earnings Noted Last Year

Canadian Consolidated Felt Co., subsidiary of Dominion Rubber Co., registered a small improvement in earnings during 1932 despite rather unsatisfactory marketing conditions. While net operating profits were larger than in 1931, they were insufficient to cover bond interest and depreciation charges.

The company operates a plant at Kitchener, Ont., for the manufacture of general felt goods, boots, overshoes, harness, etc. Controlling interest was secured by Dominion Rubber upon formation of the company in 1910.

Few companies in Canada have had such a chequered dividend career as that set up by Canadian Consolidated Felt. Distributions have been made on the preferred stock from time to time but at the end of 1932 dividends were in arrears to the extent of 114.50 per cent. The par value of the preferred outstanding is $500,000.

Capitalization—

	Authorized	Outstanding
Common	$1,500,000	$1,500,000
Preferred	500,000	500,000

(Par $100).
51 per cent of the common stock is owned by the Dominion Rubber Co.

Funded Debt—
First mortgage, 6 per cent, due 1940, outstanding $195,000.

Dividend Record—
Preferred—7 per cent per annum, cumulative, payable Jan., Apr., July and Oct. 1. Paid regularly from incorporation to July, 1914; none thereafter until March 30, 1929, when 2½ per cent interim dividend was paid. Similar payments were made June 30, Sept. 30, and Dec. 30, 1929; April 2 and June 30, 1930. As at Dec. 31, 1932, dividends were in arrears to the extent of 114.50 per cent.
Common—No dividends paid.

Officers and Directors—
Officers — W. A. Eden, pres.; G. W. Charles, vice-pres.; N. M. Lynn, mgr.; H. P. Nellis, sec.; A. Whitehouse, treas. Directors — W. A. Eden, G. W. Charles, F. G. Daniels, H. R. Nixon, A. Whitehouse, all of Montreal; F. Bauslaugh, Brantford; N. M. Lynn, Kitchener.

Times Bond Interest

	1932	1931	1930
Earned:§	0.1	nil	2.93

§After deducting interest in excess of bond interest, and provision for bad debts in all years, and depreciation also in 1927, 1928, 1929, 1930 and 1931.

Earnings per Share and Div. Record:

Pref.: Earned	nil	nil	$4.77
Paid	..	..	5.00

Seven Years' Earnings:

Year	Earnings $	Dividends $	Surplus $
1926	43,338	......	291,283
1927	56,764	......	318,394
1928	97,231	......	389,306
1929	78,979	50,000	391,013
1930	38,897	25,000	389,888
1931	4,933	......	349,386
1932	33,887	......	324,080

CAN. CO-OP. WOOL GROWERS

Canadian Co-operative Wool Growers Ltd. was formed in 1917 to forward the interests of wool growers in Canada and ownership of the company is held by the growers who are banded together to improve markets and establish standards of grading, etc. Low prices quoted on wool in the past few years have reduced the value of the wool handled and commissions charged by the company for handling have been somewhat lower. The company, however, is not run for profit, except as it applies to the individual wool grower.

The company has branches, collecting stations and affiliated associations in each of the Canadian provinces and holds a strong position in the Canadian wool trade. Earnings have been sufficient to cover all expenses and provide for a 5 per cent dividend on paid-up capital. In 1932, the company handled more than 35 per cent of Canadian wool marketed.

Capitalization—

	Authorized	Outstanding
Stock	$200,000	$115,110

Par value $10.
No member is allowed to hold more than 50 shares of stock.

Dividend Record—
5 per cent declared for 1932; 6 per cent paid in 1931; 7 per cent in 1930 and 1929; 8 per cent in 1928. Payable annually.

Funded Debt—
None.

Officers—Col. R. McEwen, pres.; Chris. Jensen, 1st vice-pres.; S. A. Logan, 2nd vice-pres.; G. E. O'Brien, gen. mgr. and treas.; W. H. J. Tisdale, asst. gen. mgr.; G. O'Neil, sec.; B. G. Hollingdrake, wool supt.; W. W. Thomson, mgr. Man. and Sask. branch; L. V. Parent, mgr. Quebec branch; W. S. Benson, western agent. **Directors—***Col. R. McEwen, *W. A. Dryden, *G. L. Telfer, Ontario; *Chris. Jensen, John Wilson Jr., Alberta; *S. A. Logan, Nova Scotia; J. A. McClary, *Geo Bouchard, Quebec; *I. J. Rushton, Wm. Kerr, Sask.; *G. Gordon, J. R. Hume, Manitoba; Geo. C. Hay, B.C.; Stanley Wood, New Brunswick; Wm. MacGregor, P.E.I.

*Executive committee.

Earnings per Share and Div. Record:

Earned	$0.51	$0.67	$0.75
Paid	.50	.60	.70

DIVIDEND NOTICES

A. J. Freiman, Limited

DIVIDEND NOTICE

A dividend of one and one-half per cent (1½%) on the 6% cumulative redeemable convertible preferred shares of A. J. Freiman, Limited, being at the rate of 6% per annum, will be paid on the 3rd day of July, 1933, to shareholders on record June 15th, 1933.

By resolution of the Directors.

Dated at Ottawa this 7th day of June, A. D. 1933.

S. R. OUELLETTE,
Secretary-Treasurer.

NOTICES

The Ontario Municipal Board

Notice is hereby given that the Municipality of the Town of Essex has become subject to the provisions of Part VI of "The Ontario Municipal Board Act, 1932," by an order of "The Ontario Municipal Board" bearing date the 17th day of May, 1933, and from and after the first publication of this Notice in the "Ontario Gazette," all actions or proceedings against the said Municipality are stayed, and thereafter no action or other proceeding against the said Municipality shall be commenced or continued, nor shall a levy be made under a Writ of Execution against it without leave of The Ontario Municipal Board.

Dated this 17th day of May, A.D. 1933.

H. C. SMALL,
Secretary,
The Ontario Municipal Board.
C. R. McKEOWN,
Chairman.

RIVERSIDE SILK

Shows Strong Working Capital Position — Outlook Better

Riverside Silk Mills Ltd., produces silk yarns used in the manufacture of ladies' underwear and hosiery and also manufactures broad silk at its plant in Galt, Ont. While earnings of the company have shown annual decline since 1928, a very strong working capital position has been maintained. The company has had to dip into surplus account for the past three years to a small extent in order to pay Class A stock dividends, but over a period of three years the surplus has only been reduced by $26,000 and at December 31, 1932, was shown at $458,755.

Capitalization—

	Authorized	Outstanding
Com. A	30,000 shs.	30,000 shs.
Com. B	20,000 shs.	20,000 shs.

No par value.

Funded Debt—
None.

Dividend Record—
Class A — Entitled to $2 per annum, cumulative, payable Jan., April, July and Oct. 1.
Present rate $1 per share per annum; initial quarterly payment at this rate paid July 2, 1932, and regularly since.
Class B — Initial dividend of 50c per share paid March 1, 1929, from the profits of the 1928 fiscal year, followed by a similar payment March 1, 1930 from the profits of the 1929 fiscal year. None since.

Officers and Directors—
Officers—E. M. McCormick, pres.; C. A. McCormick, vice-pres.; G. H. McCormick, sec.-treas.
Directors—C. A. McCormick, Paris Ont.; E. M. McCormick, D. W. McCormick, G. H. McCormick, Galt, Ont.; F. J. Coombs, Toronto.

Earnings per Share and Div. Record—

	1932	1931	1930
Class A: Earn.*	$1.13	$1.84	$1.80
Earned†	1.13	1.84	1.80
Paid	2.00	2.00	2.00
Class B: Earn.†	nil	nil	‡0.50
Paid			

*Before taking participating provisions into account.
†After taking participating provisions into account.
‡Paid from previous year's surplus.

Five Years' Earnings—

Year	*Earnings $	Dividends $	Surplus $
1928	159,424	45,000	424,423
1929	130,162	70,000	484,585
1930	54,079	70,000	468,664
1931	55,085	60,000	463,003
1932	33,835	37,500	458,755

*After depreciation and federal income taxes.

Market Record—

	*1933 H	*1933 L	1932 H	1932 L	1931 H	1931 L
Cl. "A"	15	7	12	6½	16	9

*To June 7.

Average Weekly Wage $15.65

Average weekly full-time wages paid to the various classes of labor in the cotton textile industry in 1931 ranged from $11 for doffers to $25.69 for loom fixers. The average full time wage for all employees amounted to $15.65 per week of 53.9 hours.

Import Less Wool

Wool and woollen imports into Canada in 1931 were valued at $20,201,089 compared with $39,433,525 in the previous year, a decline of $19,232,436. Raw and partly manufactured products accounted for $3,834,229 of this decline and wholly manufactured products for the balance of $15,398,207.

Use More Electricity

Motive power equipment in the textile industries is tending toward the greater use of electric motors. In the hosiery and knit goods industry, for example, 210 additional motors generating 840 h.p. were in use during 1931.

DIVIDEND NOTICES

Colonial Natural Gas and Oil Syndicate

DIVIDEND No. 2

Notice is hereby given that a dividend of one per cent in Canadian funds on the paid-up units has been declared and payable June 15th, 1933. Dividend cheques will be mailed by the Imperial Trust Co. of Canada, Toronto, to the various unit holders.

L. S. PARSONS,
Manager.

Hamilton, June 12th, 1933.

Western Grocers Limited

Notice of Dividend

A dividend of one and three quarters per cent (1¾%) on the Preference Stock of Western Grocers Limited, has been declared for the quarter ending June 30th, 1933, payable July 15th, 1933, to shareholders of record June 20th, 1933.

By order of the Board.

W. P. RILEY,
President.

Winnipeg, June 7th, 1933.

Dominion Glass Company Limited

Notice of Dividends

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) has been declared on the PREFERRED STOCK of the company for the quarter ending the 30th day of June, 1933.

Notice is also hereby given that a dividend of one and one-quarter per cent (1¼%) has been declared on the COMMON STOCK of the Company for the quarter ending the 30th day of June, 1933.

The above Dividends are payable on Monday, the 3rd day of July, 1933, to Shareholders of record at the close of business Thursday, the 15th day of June, 1933.

By Order of the Board.

MERVYN OFFER,
Secretary.

Montreal, 23rd May, 1933.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

Canada Northern Power Corporation, Limited

Preferred Dividend No. 34

NOTICE is hereby given that a Dividend of 1¾% (being at the rate of 7% per annum) has been declared on the 7% Cumulative Preferred Stock of CANADA NORTHERN POWER CORPORATION LIMITED for the quarter ending June 30th, 1933, payable July 15th, 1933, to shareholders of record at the close of business on June 30th, 1933.

By order of the Board.

L. C. HASKELL, Secretary.

Montreal, May 30th, 1933.

CLASSIFIED ADVERTISEMENTS

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when box number is required. Classified ads payable in advance.

Manufacturing Opportunity

THOROUGHLY ESTABLISHED and Nationally known business with good turnover desires to contact responsible party or parties for re-financing for expansion purposes. Will stand closest investigation and recommended by responsible business men. Require Ten to Fifteen Thousand, amply secured. Box 134, Financial Post, Toronto.

Verbatim Reports

BE QUOTED correctly! At every gathering where it is desirable to record accurately all that has been said, let Stenotype Service take the responsibility. Mechanical shorthand is employed to insure speedy, trustworthy verbatim reports. Conventions, club gatherings, boards of directors, political associations, etc., etc., can employ this service at all meetings with assurance of satisfaction. Fees are moderate. For further information write The Stenotype Reporting Bureau, 481 University Ave., Toronto.

Real Estate

MONTREAL INDUSTRIAL SITE
For Sale at Sacrifice Price

Centre of manufacturing district . . . Unexcelled distribution point . . . Located in north end of city. Size 142' on C. P. R. right of way x 450' deep; area 62,700 square feet; siding for three cars; sewers and water on property. Full particulars from

Westmount Realties Company
1367 Greene Ave. Westmount

Travel

MISS JEAN MACPHERSON IS taking a small party of young ladies abroad for two months—sailing cabin class from Montreal. Cities visited are Edinburgh, London, Paris, Montreux, Lausanne, Geneva, Venice, Florence, Pisa, Genoa, Monte Carlo, Cannes, Nice, etc.

This is not an expensive trip and Miss Macpherson has room for two or three more. For further information phone Kingsdale 0780—652 Huron St., Toronto.

Clipping Services

ARE you posted on what publicity your products are receiving in the Canadian Press? Do you know how many dealers are advertising your wares and how much space they are using? Our CLIPPING SERVICE would keep you constantly informed of these matters. The fees are moderate. Write for the whole story. Canadian Press Clipping Service, 481 University Avenue, Toronto, Ont.

Service for Investors

INDIVIDUAL investors may secure a special service on specific companies in which they are interested. Service includes detailed analyses and all newscards and revisions published on those companies during the year. Send in your list of companies. Rate—$12 a year for any 10 companies. Additional companies pro rata. Or write The Financial Post Corporation Service, 210 Dundas Street West, Toronto, for further particulars.

Miscellaneous

ENGROSSING — CAREFULLY done in beautiful handwriting. Send for samples on request. Charles Hala, c/o The Financial Post, 210 Dundas W., Toronto.

Office Furniture

BOARD ROOM TABLE — MAHOGANY, 4 ft. by 10 ft., $200; cost $400. Good as new. Box 130, The Financial Post, Toronto.

DIVIDEND NOTICES

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 30th June, 1933, being at the rate of ten per cent per annum, and that the same will be payable at the Head Office of the Bank and its Branches on and after Monday, the 3rd day of July, 1933, to shareholders of record of the 20th June, 1933.

By Order of the Board.

Dudley Dawson,
General Manager.

Toronto, 18th May, 1933.

Provincial Paper Limited

Notice is hereby given that Regular Quarterly Dividends of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED, payable July 3rd, 1933, to shareholders of record as at close of business June 15th, 1933.

W. S. BARBER,
Secretary-Treasurer.

Toronto, Ontario.

The Toronto Mortgage Company

Quarterly Dividend

Notice is hereby given, that a Dividend of Three per cent, upon the paid-up Capital Stock of this Company, has been declared for the current Quarter, and that the same will be payable on and after

1st July, 1933,

to Shareholders of record on the books of the Company at the close of business on 15th instant.

By Order of the Board,

WALTER GILLESPIE,
Manager.

DIVIDEND NOTICE

Canadian General Electric Company, Limited

Preference Dividend No. 93

Notice is hereby given that a Dividend of 1¾% for the quarter ending June 30, 1933, being at the rate of 7% per annum, has been declared on the Preference Stock of the Company.

Common Dividend No. 114

Notice is also hereby given that a Dividend of 75 cents per share for the quarter ending June 30, 1933, being at the rate of 6% per annum upon the par value of the stock, has been declared on the Common Stock of the Company.

The above Dividends are payable on July 1, 1933, to shareholders of record at the close of business on June 15, 1933.

By Order of the Board,

W. H. NESBITT,
Secretary.

Toronto 2, June 7, 1933.

DIVIDEND NOTICES

The British American Oil Company Limited

Dividend Notice

NOTICE is hereby given that the regular dividend of Twenty Cents (20c) per share has been declared on the issued No Par Value capital stock of the Company for the second quarter ending June 30, 1933. The above dividend is payable, in Canadian funds, July 3, 1933, to shareholders of record at the close of business on the 15th day of June, 1933. Transfer books will be closed from the 16th to the 30th of June, both days inclusive.

Share Warrant Holders will present Coupons Serial No. 13 to the Royal Bank of Canada, Toronto, Ontario, or the Royal Bank of Canada, Montreal, Quebec, on or after July 3rd, 1933.

By Order of the Board.

P. W. BINNS,
Secretary.

Dated at Toronto, June 8th, 1933.

The Real Estate Loan Company of Canada, Limited

Notice is hereby given that a Dividend of Two and one half per cent has been declared upon the Capital Stock of the Company for the half year ending 30th June, and the same will be payable at the offices of the Company on and after the 3rd day of July, 1933, to Shareholders of Record of 19th June, 1933.

By order of the Board.

C. A. MORRIS,
Managing Director.

Toronto, 8th June, 1933.

TEXTILE DOMINION CO. LTD.

Dominion Textile Co. Limited

Notice of Preferred Stock Dividend

A DIVIDEND of One and Three-Quarter per cent. (1¾%) has been declared on the Preferred Stock of DOMINION TEXTILE COMPANY, Limited, for the quarter ending June 30th, 1933, payable July 15th, 1933, to shareholders of record June 30th, 1933.

By order of the Board,

JAS. A. FISH,
Acting Secretary.

Montreal, May 22nd, 1933.

The TORONTO GENERAL TRUSTS CORPORATION

DIVIDEND NO. 148

Notice is hereby given that a dividend of two per cent. (2%) has been declared upon the paid-up capital stock of this Corporation for the quarter ending June 30th, 1933, payable on and after Monday, the third day of July, 1933, to shareholders of record at the close of business on June 17th, 1933.

By order of the Board of Directors.

W. G. WATSON,
General Manager.

Toronto, June 6th, 1933.

Canadian Mining News

GRANADA DEAL WITH N. Y. GROUP REPORTED OFF

Low Production in May Explained as Due to Bulk Sampling

The drop in the market price of Granada Gold Mines stock from $1.60 per share two weeks ago to $1.20 per share last week, during a period when other gold mines were establishing new higher market levels, may be explained as due to the withdrawal of the New York interests who have figured in the financing of the company.

Granada officials told The Financial Post that the last scale of prices at which the New York group took up shares was $1.49 each. The object of this financing, explained Granada officials, was to speed the company's extensive development programme, rather than await the financing of development from earnings. In the future it is proposed to conduct the exploration campaign at a tempo dictated by earnings. This is expected to slow down the programme, but will have the advantage of not further diluting the outstanding capitalization.

The programme of sinking a main 2½ compartment exploration and production shaft to an immediate objective of 3,000 ft. is already under way. This will be an incline shaft which is already down to a depth of 1,320 ft. through opening to the surface a winze started in midsummer, 1931.

New Shaft Aids Exploration

With the deep exploration programme not interfering with the hoisting of ore it is anticipated that it will be possible to maintain production at a higher level. Although no production figures have been published since June 30, 1932, it is understood that the output recently has been unusually low by reason of the extensive bulk sampling that has been taking place, treating ore from the various faces of the mine, in order to get a more representative idea of their value. Having regard for the tonnage of ore treated in the past, the company has waged an extensive development programme and the announcement that a shaft will be sunk to a 3,000 ft. objective indicates that the speedy development of ore is imperative to production schedules.

The Hadsel mill, which went into operation last January, has so far not given the results anticipated. Officials state that as high as 97 tons of ore daily have been put through the mill, but that the guaranteed 150 tons daily have never been met and as a result its operation has been suspended while an attempt will be made to iron out the troubles encountered. Inasmuch as the mill has not been purchased by Granada, its commitment has only been for the building extension, which can be readily adapted to equipment for established milling practice.

Development expenditures in recent months are said to have been as high as $65,000 — considerably more than operating earnings and only made possible by funds from the New York interests whose names or option terms have not been disclosed.

Rich Gold Show In Kenty Shaft

At 290 Ft. Depth

Kenty Gold Mines, pioneering interest in the Swayze area of Ontario, has encountered some phenomenal ore in its No. 2 shaft-sinking operations, The Financial Post is reliably informed.

Development work, started late last fall, included the sinking of two shafts, 1,800 feet apart, to an immediate objective of 500 feet. No. 2 shaft encountered the vein at a depth of 270 feet and was still in the vein at a depth of 315 feet, according to last reports. Having regard for the dip of the vein it has not yet been established just what width exists at the point encountered or whether it continues to dip at a uniform rate. At the bottom of this shaft samples carrying free gold and comparable to the spectacular surface discovery lend unusual interest to this work. At the No. 1 shaft a vein 10 feet in width was encountered at a depth of 360 feet. The programme calls for both shafts being completed in July. Stations were cut in both shafts at a depth of 125 feet and 250 feet below the collar of No. 1 shaft.

Development with the aid of Diesel engines is said to give unusually low cost operations for this class of work. The overall shaft costs in April were $36.20 per ft.

Kirkland Lake Gold Mining Co. is providing funds for development under an option agreement that will give it control of the company if and when all options are exercised.

BOBJO REPORTS LARGE INCREASE IN QUICK ASSETS

Company in Best Position Since Incorporation— Many Prospects

An interim report by Bobjo Mines shows the company as at June 1, 1933, in an exceptionally strong liquid position with current assets of $288,660, made up of $152,670 in cash; 100,000 shares of San Antonio Gold Mines, valued at $120,000; 1,000 shares of Waite-Ackerman-Montgomery Mines, valued at $490; and 500 shares of Noranda Mines valued at $15,500. In addition, the company holds 309,375 shares of God's Lake Gold Mines, 10,000 shares of Erie Gas, Ltd., 30 units of Empire Prospecting Synd. and 20 units of Canadian Prospecting Synd.

R. J. Jowsey, president of the company, in outlining its activities to shareholders, calls attention to the purchase of 600,000 shares in the old San Antonio Mines, before it was reorganized as San Antonio Gold Mines, and the finding of additional capital that brought the property into production. By reason of the exchange of these old shares for those in the present company, Bobjo's holdings were reduced to 200,000 shares. A few weeks ago 100,000 of these shares were sold at a handsome profit.

An interesting phase of the company's statement is that four years after its incorporation, during which time it has undertaken several aggressive development and exploration programmes, it is now able to present a statement showing liquid assets of approximately $100,000 in excess of any previous time, together with a string of subsidiary interests and properties that are potentially important. Among its holdings are 15 claims staked and purchased in the Great Bear Lake area and held by the company pending further development in that vicinity. In midsummer, 1932, jointly with Coniagas Mines, the company pioneered in the staking and also acquired a large number of claims in the God's Lake area of Manitoba, subsequently forming the God's Lake Gold Mines, receiving 309,375 shares for its interest in the venture.

In May the company optioned 22 claims in Little Long Lac where a crew of ten men is carrying out exploratory work.

All of these shares having been applied for, this advertisement appears as a matter of record only.

22,500 Shares

BULOLO GOLD DREDGING, LIMITED

Incorporated under the Companies' Act in British Columbia

Capital Stock

Par Value—$5 per Share

Authorized - - - - - - - - -	1,200,000 shares
Issued - - - - - - - -	765,000 shares
To be issued under contract* for acquisition of certain property	150,000 "
*Total presently issued and to be issued -	915,000 "

**Above contract also provides for a further number of shares estimated by the directors to be not in excess of 85,000, to be issued contingent upon certain calculations in respect to profits after two years' actual dredging.*

Transfer Agent: Chartered Trust & Executor Co
Registrar: Montreal Trust Co

From the prospectus issued by the Directors in compliance with the regulations of the Committee of the Stock Exchange, London, which may be had on application to the undersigned, and from other official statements, we summarize the following information:

Bulolo Gold Dredging, Limited, was incorporated in 1930 to acquire certain areas in the Australian Mandated Territory of New Guinea for the purpose of recovering gold by dredging from large alluvial deposits in the Bulolo River Valley.

Up to the present time an area containing over 100,000,000 cubic yards of gravel has been extensively drilled and found to be payable dredging ground.

No 1 dredge commenced operations in March, 1932. No 2 dredge was put into operation in November of that year. No 3 dredge is expected to be in operation during September of this year, and the 4th and final dredge is expected to be operating in 1934. The dredges, transported by airplane, piece by piece, into the Bulolo River Valley, New Guinea, from the sea coast, are driven electrically by the Company's own hydro-electric plant, the material for which was also flown to the field.

Profit from gold production from the commencement of operation, March 21, 1932, until February 22, 1933, was $770,000 (Gold). The average profit made was at the rate of about $53,000 (Gold) per dredge per month of operation. Based on the actual dredging cost as demonstrated, the net profit to be won from the tested area is estimated in the prospectus at $23,250,000 (Gold) over a period extending until ten years from October 31, 1933.

Recent increased recovery per dredge due to higher efficiency and additional yardage tested provide a basis for the revision upward of the above estimates. The directors also state that it is likely that additional dredging ground will be developed on the company's present holdings, thus extending the life of the operation.

In the opinion of the directors the Company has sufficient working capital for the purposes of its business.

Mr. W. A. Freeman, Chairman of the Board, in an address to the shareholders at a company meeting in London, England, April 26 last, stated that Bulolo was the lowest cost producer of an ounce of gold in the world at that moment.

Substantial holders of the shares and the interests active in the development of the company, include: Placer Development, Limited, of British Columbia; International Mining Corporation, New York; Gold Fields American Development Company, Limited (the U.S. subsidiary of Consolidated Gold Fields of South Africa, of London, England), and the Oroville Dredging Company, Limited, of London, England.

The shares are listed on the London Stock Exchange, and on the Sydney, Australia, Stock Exchange. Application has been made to list on the Montreal Curb Market.

The above offering does not represent a new issue of stock by the company's treasury, but is made by us for the account of certain shareholders.

Price: 15.25 per Share
(Canadian Funds)

Greenshields & Co
Montreal

Outposts Broaden Market For Nickel

Research and Development Departments Responsible For Widening the Circle of Usefulness of International Nickel Co.'s Products

By B. F. TOWNSLEY
Mining Editor The Financial Post

Credited with being the richest mine in the world, the Frood property of International Nickel Co. can only release its wealth to the world by reason of the achievements of modern science in mining, smelting, refining and fabricating. These transforming operations can only be called into being on a scale adequate to make production profitable as growing activity of industry and business speeds up demand.

In previous articles on the activities at the various outposts of the International Nickel Co., much attention was given to the enormous amount of energy expended and the multiplicity of operations waged in making available in marketable form, refined and fabricated products from the Sudbury nickel ore. The energy that has been expended in the scientific processing of the ore is followed up by a scientific research and sales promotion programme that is the final stage in the journey between potential wealth and real wealth of Sudbury ores and metals.

Within four years International Nickel Co. has descended with the rest of the world from the crest of the wave of prosperity to the trough of adversity, but the ceaseless efforts of the research and promotion department of the company have been effective in giving a widening circle of usefulness to the metal that may be reflected in a greater tonnage demand when the dizzy world regains its economic equilibrium.

Known to Chinese

Paktong was the first nickel alloy about which anything is known. This product of Chinese metallurgists, two centuries before the Christian era, created wonder among the Europeans, first for its attractive appearance. It was not, however, until 1751 that Cronstedt, the German scientist, isolated the element which he called nickel. Fifty-five years later pure nickel was produced by Richer, another German scientist. To Michael Faraday can go the credit for first making a study of nickel in industrial steels, but his studies in the subject were not specially noted until a few years ago and long after modern industrialists had shown an appreciation for the possibilities of the metal.

Following the World War a new era for nickel was brought about by a transition period, which developed as a result of the loss of the armament business—previously the most important user of the metal. It became apparent to those guiding the destiny of the company that if it was to survive the changing order of the times, new peace uses for nickel would have to be developed, introduced and sold to an entirely different sort of purchaser. Once again science undertook to provide the answer.

Research Takes Hand

To establish a research laboratory for the promotion of nickel and nickel products, International Nickel Co. had to start from scratch. Little or no spade work had been done and it early became evident that the launching of a wide-spread campaign for the application of nickel in industrial and domestic realms called for more than a talk-fest or a shirt-sleeve approach. It called for fundamental scientific study, and an extensive research department was established at the Bayonne, New Jersey, plant of the company, manned by engineers, chemists, and research men recruited from the highest ranks. It was their work to investigate the problems of the manufacturing industry, employing metal in the fabrication of its products, and with a spirit of cooperation to develop applications for nickel that not only would improve the manufactured product but provide larger sales outlets for the primary mining, smelting and refining operations of the company in Canada.

The steady building up of this development and research department (D & R as it is known within the organization), is a story of first obtaining men intimately acquainted with the problems in various industries. Without authoritative knowledge of the problems existing, it was hopeless to attempt a solution. Next came unyielding effort on the part of these men of science charged with finding the most practical answer in the form of the proper amount of nickel, or nickel in combination with other elements that would make the manufactured products more durable, more attractive, or serve his trade better. Just as a stone cast into a pool causes a widening circle of ripples, many new applications for nickel have grown from that early start. To whatever product of iron or steel nickel was added, it seemed to add some measure of improvement but the ability of the research laboratory was and is continuously taxed to determine just the right amount of nickel or the combination with other metals that would produce the most effective results when the product was weighed in the balance by the ultimate consumer.

Start Made After World War

From the small nucleus started after the world war to investigate the applications of nickel to the steel industry, the development and research department has grown until at the Bayonne laboratory alone the company employs a staff of 70, including 21 specialists, bent on widening the circle of usefulness for nickel.

The research laboratory and organization that had been built up at Bayonne finds its counterpart on a smaller scale in London, England. In addition, there are six direct branch sales headquarters maintained at strategic world centres and which are staffed with specialists furthering the application of nickel to industry.

The services of the development and promotion department do not end with the sale of nickel. To assure that metal stays sold until the user is familiarized with the technique of handling such a reactionary element as "Old Nick," it is not unusual to maintain a nickel expert with the manufacturer until local problems are overcome.

The application of nickel to industry is unique in that for an element that has such a relatively large tonnage demand, it is always new or virgin metal that is employed. Unlike copper, scrap nickel salvaged from some previous product employing nickel, rarely finds its way back to compete with the virgin metal and thereby curtail its demand. Nickel is alloyed with such scientific accuracy and in such quantities that its usefulness for reclamation for further use is practically precluded.

Still Must Be Sold

Emerson said that the man who made a better mouse trap than anybody else would have the world beat a path to his door. That isn't the idea of salesmanship of International Nickel which believes in taking the product to the potential user and selling it. Nickel, however, is fast making friends in a steadily increasing realm of diversified fields. Its popularity is rapidly growing, until it is getting a status which brackets it with steel. The tree which was only a bush when the armament business existed, now boasts many branches and, with its roots deep in the fertile soil of the Frood mine, it gives evidence of being yet only a sturdy infant with years of maturity still before it.

This is the last of a series of six articles on the outposts of International Nickel Co. that have appeared in The Financial Post, designed to acquaint those interested with the vital part played by subsidiaries of the enterprise in foreign lands, which react in terms of a greater distribution of wealth among the primary operations of the company in Canada.

NORTHERN CANADA MINING CORPORATION, LIMITED

Invests in Canadian Mines and Mining Properties
J. B. TYRRELL,
President and Managing Director,
Room 930, 25 King Street West,
TORONTO, CANADA

Goldale Assets In Healthy State

Goldale Mines, since incorporation in 1919 operating as an exploration and holding company, reports current assets of $6,720 for the fiscal year ended December 31, 1931, as against current liabilities of $679. In addition, the company holds investments principally in mining stocks, which, on December 31, 1932, had a market value of $19,180. Since that time, however, there has been a decided appreciation and early in January the company sold three of its claims adjoining the Dome Mines to parties acting for that company for $175,000. The company's remaining property comprises four claims adjacent to the McIntyre-Porcupine Mines and three claims in Mountjoy township, also in the Porcupine district.

With the funds made available since the financial statement was issued, by the sale of the claims to Dome, the company has been able to take a position in the East Rouyn Gold Mines jointly with Bobjo Mines and is financing preliminary development.

The balance sheet as at December 31, 1932, shows, as before, 2,840,311 $1 par value shares outstanding.

"More Gold!"

Gold Bullion to the standard value of 47 million dollars, or 53 million dollars in Canadian Funds, was produced by the Mines of Ontario in 1932. This is a record annual output, being an increase of 4 Million Dollars in standard value over the output for 1931.

Ontario Gold Mines have paid dividends to the end of 1932 amounting to $135,104,303. Dividends for 1932 amounted to $16,015,018.

Ontario Department of Mines,
HON. CHARLES McCREA,
Minister of Mines

IMPORTANT!

SHAREHOLDERS OF

BUNKER HILL EXTENSION

MINES, LIMITED

are requested to have their certificates registered in their own names immediately so that they may receive an official report from the Company. Certificates should be sent to the Trusts & Guarantee Company Limited, 302 Bay Street, Toronto.

By order of the Board.

19 Melinda Street,
Toronto 2, Ontario.

JAS. V. CRAN,
Secretary-Treasurer.

SYLVANITE REPORT SHOWS PROGRESS IN DEEP PROGRAM

Profits of $201,923 Are Slightly Lower Than 1932

SIX CENTS PER SHARE

More Aggressive Programme Results in Increase in Ore Reserves While Costs Lower

Annual report of Sylvanite Gold Mines for the fiscal year ended March 31, 1933, shows net profits of $201,923, equivalent to more than six cents per share on the 3,299,500 shares outstanding, as against dividend requirements of five cents per share. This compares with net profits of $225,044 or seven cents per share in the previous year.

The following tabulation shows comparative income and surplus account figures for the past two years.

PROFIT AND LOSS ACCOUNT
Years Ended Dec. 31

	1933	1932
	$	$
Production	795,642	892,562
Exchange comp.	103,905	65,542
Total oper. inc.	899,547	958,104
Less: Oper. exp.	602,965	623,505
Outside prosp.	......	5,048
Admin. exp.	23,438	24,594
Net oper. earn.	273,144	304,957
Add: Int. & exch.	24,983	21,868
Total net earnings	298,127	326,825
Less: Res. for deprec.	81,204	79,523
Res. for taxes	15,000	22,258
Net profit	201,923	225,044
Less dividends	164,975	131,980
Surplus for year	36,948	93,064
Add: Prev. surplus	441,328	348,264
Bal. forward	478,276	441,328

Working Capital

	$	$
Current assets	816,556	738,268
Current liabilities	108,770	92,794
Working capital	707,786	645,474

The slight decline in earnings may be attributed to the lower value of the production notwithstanding the higher exchange compensation.

The following shows a production summary since inception of operations.

Production in Fiscal Years Ended March 31

Year	Tons Milled	Recovery Per Ton	Bullion Recovered
1928	57,341	$10.62	$609,181
1929	70,833	10.41	737,573
1930	75,408	9.16	690,400
1931	83,034	10.08	837,014
1932	94,276	9.47	892,562
1933	96,140	8.27	795,642
			$4,562,372

From the standpoint of the various phases of development work conducted, the past year was the most aggressive in the company history. This more aggressive programme is reflected in a slight increase in exploration and development expenditures but total operating costs were reduced. Broken ore reserves were increased to 95,529 tons as compared with 81,544 reported in the previous year.

Sylvanite Report

C. E. Rodgers, general manager of the company, commented that the situation regarding deep level development in the sediments, heretofore unproductive, was much improved, which tends toward additional confidence in the future ore possibilities of the property.

In summarizing the years activities Mr. Rodgers reported in part as follows:

"Approximately 1,200 linear ft. of ore of an estimated grade slightly below mill average was developed in several sections by drifting in the No. 2 shaft section. The location was from 200 to the 3,000-ft. horizon. About 72 per cent of this ore was either in the sediments or on the contact with porphyry intrusions encountered north of the shaft.

"South of No. 2 shaft, on the main south vein, drifting and stoping at 2,250 and 2,500 ft. proved a substantial amount of ore. An important volume, averaging about $6, was also indicated by diamond drilling and developed by drifting on four levels between 400 and 1,500 ft. In addition, and within the same vertical limits, ore of $9 grade and about 300 ft. in total length was broken during the period.

"A number of branch and parallel veins were found during the year in the No. 4 shaft area and in several instances fairly large sections of high grade were developed. As a whole, mining operations were fully up to expectations. About 54 per cent of the tonnage milled came from this part of the mine. Certain sections of the area still remain to be explored, and it is felt that conditions are encouraging for adding materially to known ore reserves.

"Orders were placed approximately at the fiscal year-end for a new steel headframe, ore and waste bins of steel, combined skips and cages, and a larger hoist motor and suitable control. This equipment is expected to be placed in operation at No. 2 shaft not later than July, 1933. When installed, it will permit deepening the shaft to below 3,000 ft. It will also provide a substantial increase in hoisting and greater ore and waste bin capacity."

Additional Mining News
Page 19

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ANNOUNCEMENT

§ This corporation has been organized for the purpose of taking part in originations, underwritings and in the distribution of securities.

§ We shall feature stocks in the Gold Mining Field, appreciating the present importance of this great industry, and its future greatness.

§ There will be associated with us men experienced in finance, organization, and in engineering.

§ We invite correspondence with those who would be interested in our service.

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